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'Text' of 13 Dec 'Tegucigalpa Declaration'

PA1412150791 Panama City ACAN in Spanish 0018 GMT 14 Dec 91

["Text" of the "Tegucigalpa Declaration," issued at the closing ceremony of the 11th Summit Meeting of Central American presidents in Tegucigalpa on 13 December]

[Text] Tegucigalpa Declaration:

The presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, with the presence of the prime minister of Belize as an observer, met in Tegucigalpa, Honduras, on 12 and 13 December 1991 to discuss the political, economic, and social challenges of the region, and to search, in line with their fundamental affinities, for ways to satisfy the hopes and legitimate demands of the Central American people. The presidents, are aware that the Central American people want democracy in which political pluralism, human rights, and civil liberties are the result of common agreement; that to have a firm and lasting peace in Central America it is necessary to create adequate standards of living for our people; and that development and the resolution of social inequities are challenges that must be faced to consolidate Central America as a region of peace, liberty, democracy, and development; and taking into consideration the geographic singularity of the isthmus, the existence of a Central American identity, and the need to promote the region's economic and social development through a renewed integration plan, decide:

1. To reiterate the importance of the Esquipulas Agreement, which has promoted the pacification and democratization process in Central America as a single, indivisible, and harmonious whole. This process is necessary for sustained development directed at the integral improvement of man.

2. To reaffirm that the presidents are certain that it is necessary to secure a firm and lasting peace in the region by consolidating a state of law, by strengthening democratic institutions, and by promoting unrestricted respect for human rights and reconciliation through open, frank, and constructive dialogue.

3. To point out the importance of the Tegucigalpa Commitment, which is dedicated to the development of all Central Americans, with emphasis on infants and the young.

4. To celebrate the signing in this city of the Protocol of Reforms to the Organization of Central American States [ODECA] Charter and the creation of the System for Central American Integration—which brings together all the legal structures of the region to produce a thorough integration. This system assures that decisions reached at presidential meetings will be followed up and that the implementation of these decisions will be coordinated bearing in mind a future Central America as a region of peace, liberty, democracy, and development. This is a most important event in relations among the Central American states.

The presidents agreed to designate this agreement also as the Tegucigalpa Protocol, in acknowledgment of the hospitality of the city where the protocol was negotiated and signed.

5. To receive the report on the work being carried out to reach an agreement on security, verification, control, and the limitation of arms and troops in the region. This report was presented by the Security Commission.

6. The presidents of Costa Rica, Guatemala, Honduras, Nicaragua, and Panama are pleased with the progress that has been made in the peace process underway in the sister Republic of El Salvador, under the auspices of the UN secretary general. Furthermore, the presidents express their hope that a definitive agreement will be signed, during the upcoming round of negotiations in New York, to put an end to the armed conflict in El Salvador. The presidents also hope that the Farabundo Marti National Liberation Front will join the country's civil, institutional, and political life after it disarms and demobilizes as an irregular armed group so that the Salvadoran people may have the peace and tranquility they want so much.

The presidents reiterate their firm support for President Alfredo Cristiani; for his pacification policy; and for his search—through dialogue—to find political agreements that will consolidate democracy, protect human rights, and promote the reconciliation of the Salvadoran people.

7. The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama reiterate their support for the Total Peace Plan of Guatemalan President Jorge Serrano Elias and state their satisfaction with the achievements that have been made. They anticipate the prompt reconciliation of the Guatemalan people through the peaceful reentry of the irregular forces into the country's civilian and political life, in accordance with the Constitution.

8. Reaffirming their solidarity with the peace processes in El Salvador and Guatemala, the presidents call on international organizations to come together and support the efforts of these governments to find an end to the armed conflicts. The presidents note that this is essential to the well-being and development of the children and the women who live in areas affected by violence. The presidents also recommend that these organizations create programs to help the international community understand the efforts that these governments are making, despite being the victims of aggression. Such actions would also encourage the international community to give the governments the necessary support and to strengthen and expand those programs that benefit the people who are most affected by the conflicts.

The presidents express their deep concern that some humanitarian organizations have been deceived in their goodwill and have provided aid that, unfortunately, has only served to prolong the useless and inhuman fighting that has been going on for many years. For this reason, they recommend that the international organizations report the true situation in these countries so as to put an end to the support that the illegal armed groups receive from outside the region from being used to further negatively affect the already grave economic and social situations in these countries.

9. The presidents recognize UN Secretary General Javier Perez de Cuellar's continuous efforts in favor of the Esquipulas process. They voice satisfaction with the recent election of Mr. Butrus Ghali as the new UN secretary general and wish him success in leading and attaining the lofty goals of this organization.

10. The presidents voice satisfaction with the recent installation of the Central American Parliament, which will serve as a regional forum for presentations, analyses, and recommendations to help consolidate peace, full democracy, and overall integration.

The presidents express gratitude for the valuable recommendations of the Central American Parliament regarding the region's social development; youth education; highway safety regulations to protect people and goods traveling along the isthmus' roads; and the need to look after the interests of Central American immigrants abroad, especially those in the United States.

11. The presidents voice satisfaction with the recent creation of the Central American Integration Law Institute [Instituto Centroamericano de Derecho de la Integracion—INCADI] founded by the Central American Superior University Council (CSUCA) and headquartered in the National Autonomous University of Honduras. INCADI will create laws to regulate integration among all the region's states and cooperation between them and third countries.

12. The presidents support the holding of the second international meeting of the CIREFCA [International Conference for Central American Refugees] Follow-Up Committee that is scheduled to take place in El Salvador in April 1992 to urge the international community to maintain and broaden its support of priority programs and projects defined and presented by Central Americans as part of the implementation of an action plan adopted in May 1989.

13. The presidents will instruct the presidents of regional central banks—along with the Permanent Central American Commission for the eradication of the production, consumption, trafficking, and misuse of drugs and psychotropic substances, and related crimes—to analyze and propose solutions regarding the problem surrounding the legalization of assets acquired through criminal activities.

14. The presidents underscore the importance of decentralization processes that seek to strengthen local governments and their capabilities to immediately meet the social needs of the people of the isthmus.

15. The presidents point out that the region's complex social and economic crisis and the urgent need to promote the overall integration of Central American peoples always require international cooperation.

16. The presidents underscore the need to accelerate regional actions leading to the integration of the Central American community that we all aspire to achieve. The path to that objective requires intense dialogue and greater cooperation from the international community.

In this regard it pleases us to point out the renewed commitment of the Inter-American Development Bank with a program especially designed to support the regional integration and development of the Central American isthmus and coordinate a Regional Consultative Group. We await its results with interest.

17. The presidents note that the availability of more assistance is crucial for the financing of public investment—especially in the social field—and is indispensable for the achievement of development based on equality. The governments of the isthmus have worked to obtain such assistance especially because the current foreign debt situation imposes an excessive burden on our public finances. The presidents call on the governments that are members of the Inter-American Development Bank to discuss the availability of more assistance during the annual assembly of governors to be held in the Dominican Republic in April 1992.

18. The presidents call on the contracting parties of the GATT, especially the EEC countries, to include bananas in their negotiations on agriculture during the Uruguay talks because this product is of great importance to the Central American region. As a new trade regimen will emerge when the single European market is established in 1993, it is the desire of our countries that access to this market be in accordance with the norms and disciplines of the GATT, considering the interests of the ACP/EC [African, Caribbean, and Pacific/European Community] countries and European consumers.

19. The presidents express satisfaction with the adoption—by the ministers in charge of the Central American economic integration and regional development—of a coordinated system as a tariff nomenclature and an indispensable mechanism for the integration of the isthmus that will facilitate the incorporation of Central American products into the international market.

20. The presidents stress the importance of the economic complementary agreement between Mexico and the Central American countries signed in the city of Tuxtla Gutierrez. The purpose of the agreement is to accelerate the creation of a free trade zone between both regions. The agreement is also meant to instruct the ministers in charge of Central American economic integration and

regional development to coordinate all trade mechanisms—such as rules of origin, antidumping laws, and other trade policies—to ensure the necessary compatibility and coordination at the negotiations. This will serve to normalize the framework of negotiations aimed at reaching an agreement that will lead to the creation of a free trade zone.

21. The presidents express satisfaction with the holding of the first joint meeting between representatives of the governments of Venezuela and Central America in an effort to carry out the program of trade liberalization contained in the Framework Agreement [Acuerdo Marco] on Trade and Investment between Venezuela and the Central American countries. The presidents also express their hope that the Venezuelan Government will carry out the appropriate actions so as to achieve, as soon as possible, the creation of a free trade zone.

22. The presidents express their satisfaction with the significant progress made by the Central American Bank of Economic Integration [BCIE] in its efforts to become institutionally and financially stronger. The presidents state their satisfaction with the approval and ratification by all the Central American countries of the protocol that changes the constitutive document of the BCIE and that facilitates the incorporation of extraregional partners. This strengthens the BCIE as a regional financial organization and as a consulting organization between foreign financial sources and the Central American countries on the implementation of priority economic and social development plans. The presidents commend the work the BCIE is carrying out with the United Nations to constitute a trust for social projects. The presidents also have appealed to the cooperating countries to support the creation of that trust.

23. The presidents instruct the ministers in charge of the economic integration of Central America and of regional development, as well as the corresponding authorities of Panama, to improve the mechanisms on the dismantling of non custom obstacles that impede fluid trade between Panama and the rest of the countries forming the Central American isthmus.

24. The presidents point out the important work carried out by the EC to grant to the Central American countries the preferential treatment already being granted to Andean exports.

25. The presidents direct the appropriate authorities of the energy sector to prepare, within three months, a regional hydroelectric development policy. The policy should identify the hydroelectric and power distribution projects that must be promoted. The energy sector must also prepare a strategy to promote the financing of these regional projects with the participation of Central American and extraregional private sectors as well as with international cooperation. This should be in conjunction with the electric interconnection project being promoted by the Group of Three [G-3] and in line with SIPAC [Central American Interconnection System] specifications. The purpose of all this is to meet future energy requirements in the region, to reduce costs, and, especially, to increase the availability of exportable electric services to countries outside the region.

26. The presidents express their satisfaction with the Sovereign National Congress of Honduras' ratification of the Temporary Multilateral Free Trade Agreement between Honduras and Guatemala, El Salvador, Costa Rica, and Nicaragua. The presidents urge the corresponding authorities from the other countries to implement this agreement as soon as possible.

27. The presidents express their satisfaction with the signing of the Commerce and Investment Framework Agreement between all the countries of the area and the United States in accordance with the Initiative for the Americas. The presidents urge both sides to maintain this undertaking so that these agreements may be implemented quickly within the purview that the U.S. Congress grants the Executive Branch. Central America will act as a region, with no detriment to the progress that the countries may individually achieve in their bilateral relations.

28. The presidents point out the importance of the meeting of the economic cabinets of the Central American countries and urge the members of that forum to establish the mechanisms and guidelines that should lead to harmonic macroeconomic policies.

29. The presidents express their satisfaction with the achievements of SIECA [Secretariat of Central American Economic Integration] in its endeavor to secure institutional strength as part of the leadership role it has as the economic secretariat for Central American integration. The presidents urge the international community to cooperate in making this institution technically and financially stronger.

30. The presidents have decided that the Regional Commission on Social Issues will be made up of the Central American first ladies and a minister of the social area appointed by the president of the republic. The commission will have the following duties:

A. Coordinate at the regional level the efforts of the social cabinets of each country;

B. Follow up on the mandates reached at the summits regarding social issues and verify effective compliance with them;

C. Evaluate activity reports presented by the social cabinets and present them in a consolidated form, along with their observations and recommendations, to the Executive Commission for consideration at the summits.

The presidents support the Regional Council for the Overall Assistance of Handicapped Minors, which was created by the Regional Commission on Social Issues. The presidents underscore the importance of Programs for Minors in Special Circumstances. The presidents

instruct the appropriate ministers of the respective countries to study and adopt swift and timely financial mechanisms to implement such programs.

31. The presidents recognize the progress achieved through the implementation of the Action Plan for Central American Agriculture and urge the ministers who are responsible for Central American economic integration and regional development, and agriculture, to implement it.

32. The presidents reaffirm the importance, as a cooperation mechanism for the region, of the Association for Democracy and Development of Central America, ADD. The ADD gathers the Central American countries as extraregional partners in a dialogue to establish a package of projects that might be presented by Central American countries as priority projects for the strengthening of democratic institutions and the promotion of regional economic and social development.

The presidents welcome with satisfaction the documents that emanated from Working Group I—Democracy—and Working Group II—Development. In these documents, the Central American region defines its priorities and establishes its needs in the areas of democracy and development. This is in preparation for a plenary meeting that will take place in Ottawa, Canada, in January 1992, to reaffirm the principles that will serve to regulate the operation of this ADD and that are contained in the annexes of the documents.

33. The presidents underscore the importance of the first ministerial meeting of Caribbean Community (Caricom) member countries and Central American countries to be held in San Pedro Sula on 29-31 January 1992.

34. The presidents voice their satisfaction with the visit of the foreign affairs minister of the Republic of China. He is heading a delegation to the summit, reflecting his country's interest in contributing to the region's development. The presidents express their satisfaction with the incorporation of the Republic of China, as a extraregional partner, into the Central American Bank of Economic Integration (BCIE). The presidents underscore the importance of the institutionalization of a coordination mechanism to broaden the cooperation of the government of the Republic of China with the region through the creation of the mixed cooperation commission between the countries of the Central American isthmus and the Republic of China. The commission will be headed by the countries' foreign ministers.

35. The presidents reiterate their support for the "Central America: Health and Peace for Development and Democracy" Initiative. The presidents grant the highest priority status and political and financial support to the urgent development of national cholera prevention and control plans. The presidents are also determined to eliminate measles from the region by 1997.

The presidents hereby support the Panamanian proposal to find means to recover the Gorgas Memorial Institute as a Central American laboratory.

36. The presidents reaffirm their commitment to protect the environment and to create a new regional ecological order, directed at guaranteeing a sustainable development process. The presidents have received a draft proposal from the Central American Commission on Environment and Development to declare Central America for UNCED 92 [The United Nations Conference on the Environment and Development]. Upon thanking the commission, the presidents have instructed it to continue its efforts to contact the appropriate government authorities so as to expedite concrete solutions.

The presidents express their support for the Costa Rican Government's proposal, which calls on the United Nations to establish a Council of the Planet Earth during the upcoming UNCED, to be held in Brazil in 1992. Such a council would be comprised of a group of distinguished figures and would discuss worldwide environmental issues.

The presidents hereby offer their support for the Regional Program on Women and the Environment and Development program, which was promoted by the first ladies of Central America, and ask the Central American Commission on Environment and Development to draft a regional strategy in this field. They hereby instruct the Central American Commission on Environment and Development to make a regional proposal on issues related to climatic change, in cooperation with their governments and in accordance with the Costa Rican proposal.

37. The presidents instruct the ministers or those in charge of housing matters to form, within 90 days, the Central American Council on Housing and Human Settlements and to gladly accept the Honduran offer to preside over the period leading up to the formal constitution meeting. The presidents bestow upon the council the task of uniting efforts to reinforce comprehensive housing and human settlement development plans, programs, and projects, stressing national policies and strategies that are concurrent with Central American integration.

38. The presidents hereby request international support for the Investment Plan for Transportation, Prodeca, which was created by the transportation ministers and is directed at international and regional commerce and at benefiting untraditional exports in particular.

The presidents support the inclusion of four reconstruction projects and one construction project in the Republic of Panama, in the Highways for Integration Program. This will extend the Central American highway and transportation systems into Panama.

39. The presidents hereby support regional strategies and actions that have been carried out in various fields, as described in attachments to this document. They are:

A. Report by the Commission on Social Matters.

B. Documents entitled: The Strategic Option; Health Within an Equitable Development; The Effects of the Economic Crisis of the Eighties on Health in Central America; and The Solution for a Change During the Nineties.

C. Report by the Council of Central American Agriculture Ministers.

D. Document entitled: Central American Education Ministers' Agreement in Support of the Presidential Summit.

E. Document by the Central American Labor Ministers: Social Development Policies.

F. Regional Project on the Scientific and Technological Development of the Productive Sectors.

G. Action Plan for Tourism Development in Central America: Tourism, an Important Development Factor.

H. Regional Plan for the Structuring and Development of Fisheries in Central America.

I. Proposal for a Central American Declaration on the International Conference on Environment and Development (UNDED/92).

J. Proposal for a Regional Council for the Overall Attention of Disabled Minors.

K. Tegucigalpa Declaration on the Federation of Municipalities of the Central American Isthmus (FEMICA)

40. In saluting the presence of Belizean Prime Minister George Price, the presidents invite that sister nation to play a significant role in the isthmus development and integration process.

41. In analyzing the profound transformations taking place on the international political scene, the presidents express their satisfaction with the consolidation of democracy as a system that permits the free expression of people's will and promotes the protection of civil, political, social, economic, and cultural rights of peoples.

The presidents also express their hope that military conflicts that still persist in the world will be promptly resolved peacefully and will not threaten the stability that is beginning to emerge within the new scheme of international relations.

The presidents stress the need to expedite the North-South dialogue as a mechanism to define venues of economic cooperation and trade that will make it possible for this new scheme to promote a just and equitable economic development. They stress the importance of restructuring the United Nations Conference on Trade and Development, the Group of 77, and the Nonaligned Movement.

42. The presidents strongly condemn the coup d'etat perpetrated in Haiti against the elected government. They reaffirm their support for the efforts conducted by the OAS to restore democracy and constitutional order in that country.

43. The presidents agree to meet again on 4 and 5 June 1992 in the Republic of Nicaragua.

44. The presidents of Costa Rica, El Salvador, Guatemala, Nicaragua, and Panama, as well as the Belizean prime minister, thank Honduran President Rafael Leonardo Callejas and through him the Honduran Government and people for their hospitality and attention, which decisively contributed to the meeting's success.

[Issued] Tegucigalpa, M.D.C., Republic of Honduras on 13 December 1991
[Signed] Rafael Angel Calderon, president of Costa Rica
Alfredo Cristiani Burkard, president of El Salvador
Jorge Serrano Elias, president of Guatemala
Rafael Leonardo Callejas, president of Honduras
Violeta Barrios de Chamorro, president of Nicaragua
Guillermo Endara Galimany, president of Panama
Invited Guest George Price, prime minister of Belize

Foreign Ministers Discuss Military Funds

PA1612172591 San Pedro Sula TIEMPO in Spanish 11 Dec 91 p 2

[Text] Tegucigalpa—On 10 December, Bernd Niehaus Quesada and Julio Linares, foreign ministers of Costa Rica and Panama, respectively, agreed that the armed forces have been a burden for the countries of the region. They stressed the need to redirect the funds from military budgets toward the development of social welfare programs.

The foreign ministers arrived on 10 December. They immediately convened the Executive Committee meeting, in which Panama participated as a full member for the first time.

Niehaus, who brought a proposal from his country to seek a military balance in the region, stated that this position is no more than "a reiteration of what was said in the Esquipulas process with regard to an arms reduction."

He stressed: "With all due respect to our Central American brothers—and being very aware of the realities and the role that armies play—we in Costa Rica believe that those commitments must be fulfilled, and that within a logical reality we must begin to provide better material possibilities for society."

Before the start of the foreign ministers' meeting at the modern building that houses the Ministry of Foreign

Relations, Niehaus stated: "This meeting will deal specifically with societal issues, because economically limited countries such as ours need to obtain vast resources and to fulfill the commitments made at Esquipulas."

He stressed: "To fulfill the commitments made at Esquipulas, we must seek ways to devote more economic resources—more money—to the development of education, health, and all those social issues that are of so much interest to our people."

Meanwhile, in reference to military spending, Panamanian Foreign Minister Julio Linares pointed out that the present government headed by Guillermo Endara has abolished the army, and that "for me in particular and for our countries, the army has been more of a burden than a benefit."

On another topic, it was disclosed that Costa Rica is opposed to the Honduran proposal of creating the Central American Isthmian Community, which would replace the Organization of Central American States (ODECA) and give rise to an integrationist organization that would cover political, economic, social, and cultural issues.

In reference to the Honduran proposal, Bernard Niehaus stated: "I believe that it is more important to go toward the future one step at a time, and with a firm step, than to advance too fast in community-type processes that divert us from that which the presidents entrusted us to do in the last summit" in El Salvador.

He stated that "there was an attempt to revive the idea of integration through the ODECA" at the Salvadoran summit that was held in mid-1991.

He pointed out, however, that the other governments have made very respectable proposals, and that these shall be analyzed. These proposals should correspond not only to the Central American reality, but also to the potentials of each country whose government is in favor of joint action.

TIEMPO learned that Guatemala and El Salvador also have a proposal on what the institutional process of integration should consist of, and that the foreign ministers will reportedly discuss agreements concerning these issues on 11 December.

Julio Linares said that Panama does not have a specific proposal. He advocated regional integration, because "our economies do not generate enough money to allow us to act and develop through our own resources. That is why we have to instill confidence in national and foreign investors as well as in credit institutions."

Linares stated that Panama is going through a transitional stage and making progress in democracy and liberty, but that there are three fundamental problems: high unemployment levels, the application of justice, and the problem of security due to the high incidence of crime.

Linares affirmed: "Aside from these three problems that we have to face, the country is slowly developing and evolving in the right direction."

Panama became a full participant in these regional Central American encounters at the previous summit meeting.

Mercosur Education Ministers Sign Agreement

PY1612161491 Buenos Aires LA PRENSA in Spanish 14 Dec 91 Section 1 p 4

[Text] In Brasilia, Argentine Education Minister Antonio Salonia, Brazilian Education Minister [title as published] Antonio Texeira de Souza Junior, Paraguayan Education Minister [title as published] Hugo Estigarribia Elizeche, and Uruguayan Education Minister Guillermo Garcia Costa have signed a protocol of intent by which they declare "their historical commitment to the wish for integration" within the framework of Mercosur [Common Market of the South].

The ministers also stressed the "indispensable" need to develop education programs in the areas of "formation of the citizens' conscience to favor the integration process, training of the human resources to contribute to development, and reconciliation of the education systems."

The protocol's resolutions mention the formation of an education ministers' commission that will decide on the contributions of education activities to the development of Mercosur policies.

In addition, a decision was made to propose to the Common Market council the formation of a working subgroup in the field of education, thus expanding Annex V of the Asuncion Treaty.

Concrete Measures

The concrete measures agreed upon during the two-day meeting that concluded yesterday in the Brazilian capital involve "the inclusion of issues linked to the Mercosur in the curricula of all education levels" and the promotion of "dissemination programs that will make possible the understanding of the social, cultural, and economic benefits of integration."

Other measures are "to promote and coordinate actions of professional and technical training at government and nongovernmental institutions that will meet Common Market needs;" "to engage the education institutions in the problems of work and production in the region;" and to promote the overcoming of legal and administrative barriers that will permit traffic and exchange of persons and goods in the scientific, technical, and cultural areas."

In the preamble of the protocol of intent, the Mercosur education ministers point out that "education plays a key role for this integration to consolidate and advance" and that "the ability of the Latin American peoples to

rediscover their common values and the affirmation of their identities in the face of the challenges posed by the contemporary world largely depends on education."

Menem, Lacalle Arrive in Brasilia for Summit

PY1712011691 Buenos Aires TELAM in Spanish 0051 GMT 17 Dec 91

[By TELAM special correspondent Carlos Hermes Lucido]

[Excerpts] Brasilia, 16 Dec (TELAM)—Argentine President Carlos Menem arrived in Brasilia at 2145. Menem, who arrived from Innsbruck, Austria, will participate tomorrow in the summit of chiefs of states of the Common Market of the South (Mercosur) member countries. [passage omitted]

Shortly before Menem, Uruguayan President Luis Alberto Lacalle arrived in Brasilia. Paraguayan President Andres Rodriguez is scheduled to arrive tonight. [passage omitted]

Cuba

Fidel Castro Attends Spare Parts Forum 16 Dec

FL1612143091 Havana Radio Reloj Network in Spanish 1409 GMT 16 Dec 91

[Text] The sessions of the Sixth Spare Parts, Equipment, and Advanced Technologies Forum reconvened again this morning at the Convention Center with the presence of Commander in Chief Fidel Castro, president of the Councils of State and Ministers.

The closing ceremony of this important event is scheduled for tonight after the presentation of awards to the best proposal presented to the forum.

Participates in Forum

FL1612195691 Havana Tele Rebelde Network in Spanish 1800 GMT 16 Dec 91

[Excerpts] This morning the Sixth Spare Parts, Equipments, and Advance Technologies Forum gave special attention to the production of eletro-magnetizers in Cuba, the advantages of its use in boilers and irrigation systems in agriculture besides the benefits its use represents in water and fuel savings. [passage omitted]

[Begin recording] [Castro] What percentage of fuel savings could this represent?

[Menegra] Well, it could represent—there are comrades here that could offer some details—5 percent, 6 percent, 7 percent.

[Castro] The magnetizer in the fuel?

[Menegra] In the fuel.

[Castro] And the magnetizer in water?

[Menegra] In water, according to everything we have read and seen, every time that we stop one milliliter of salts from getting embedded in the pipes it represents approximately a 2 percent savings in fuel. [passage omitted]

[Castro] Menegra, to what rate is this being expanded knowing already all the successful results and being such an economic solution?

[Menegra] Commander, this is being introduced at full speed. It is being coordinated with the comrades of the CIME [Metallurgical Research Center]; there are three factories producing it. For example, one of the factories is producing the magnetizers at a rate of 300 a month. Other factories are producing slightly less, but in Havana the production rate is approximately 500. It will be expanded to all the provinces.

[Castro] How many boilers do we have in the country?

[Menegra] There are approximately 3,000. [passage omitted] [end recording]

Lezcano on Importance of Agrarian Contingents

FL1612143991 Havana Tele Rebelde Network in Spanish 1200 GMT 16 Dec 91

[Text] During the fourth meeting of contingents and camp directors, Jorge Lezcano, first secretary of the Communist Party of Cuba [PCC] in Havana Province, has said that the work of the agrarian contingents has become decisive under the current circumstances. Lezcano, also a member of the PCC Politburo, urged the directors to complete their work forces and stressed the importance of speeding up the replacement of tractors and other equipment with ox teams and other kinds of animal traction.

The need to bolster winter harvest and planting efforts was also stressed during the meeting. There are 2,350 caballerias reserved for winter planting of which 1,750 should be completed by 31 December. The contingents and camps are working toward that goal.

Another issue to be stressed during this period is the ties between the contingents and the schools in the countryside where work and education are equally emphasized.

* Manpower To Generate Electricity

92P40081A

[Editorial Report] Havana GRANMA in Spanish of 30 November 1991 reports on page 8 that manpower will be used to generate electricity for electric fences surrounding pastures that are used in the Voisin Rational Grazing System. According to the article, the Workshop Union of the Agriculture Ministry will manufacture 2,000 manually powered mills and 250 windmills thus making it possible to implement the Voisin system during the special period. An additional 2,000 windmills will be used to generate power in order to draw water from wells. The water will then be carried to troughs in ox-drawn carts.

Haiti

Deputy Dies Under Unclear Circumstances

FL1612195391 Port-au-Prince Radio Nationale in French 1800 GMT 16 Dec 91

[Text] According to information not yet confirmed, Deputy Astrel Charles was reportedly found dead in Pignon under circumstances which have not yet been clarified.

A delegation from the Haitian Armed Forces went to the scene immediately to get further information.

This information has come from a press release signed by the Secretariat of the General Staff of the Haitian Armed Forces.

Deputy Charles' Death Confirmed

FL1612215891 Port-au-Prince Radio Nationale in French 1825 GMT 16 Dec 91

[Report by correspondent Jean-Marie Ferari from the legislative chamber; italicized passages in Creole—live]

[Text] [Announcer Edner Jean] The death of Deputy Astrel Charles has been confirmed, has it not, Jean-Marie Ferari? You are on the air. You are with the legislative chamber information officer. We are ready to listen to the details.

[Ferari] Thank you, studio. Thank you, Edner Jean. As you just said, the headline in the news at the legislative chamber is the death of Astrel Charles, deputy for Pignon and Ranquitte in the northern area. Well, it seems that Deputy Charles has been killed by a section chief. During these past few days, Deputy Charles was considered a moderate deputy at the legislative chamber. How did he die? What happened exactly? We are with the legislative chamber information officer, Leon Rodolphe, who is going to give us details on this death.

[Rodolphe] (?I think) it is reliable information or reliable details because I met with a deputy this morning, namely Deputy Jean Mandenave of Plaisance, who confirmed the death of Astrel Charles during the night of 14 December. This man has reportedly been killed by a section chief. But incidentally, I would tell you that *behind the scenes, according to the information which I received from Deputy Mandenave and which is not reliable—because you know, a journalist must be objective in the information that he is providing—Deputy Charles was reportedly caught in a trap or an ambush.*

Apparently, a section chief who supported the deputy in the elections had reportedly been fired. It seems that during these past few days the deputy reinstated this friend to the post of section chief. The person who lost the job through the reinstatement of the deputy's friend appears to have set up an ambush jointly with another group. The deputy fell into this ambush.

By the way, Deputy Jean Mandenave.... [changes thought] He is a man who was also wanted in the Plaisance area over the past weekend because Section Chief Michel Pierre.... [changes thought] This is what Deputy Jean Mandenave told me this morning. Deputy Mandenave was wanted by Section Chief Michel Pierre, also known as Reynold. After he [not further identified] arrested someone in the area of Gobert—Gobert is a rural section of Plaisance—he found several people who were opposed to that.

He immediately returned to Plaisance where he went to look for reinforcements. When he [not identified] returned, he found several people playing dominoes. He started shooting at the domino players, killing a 35-year-old man and injuring two others, according to what Deputy Mandenave told me. They [not further identified] said if they found Deputy Mandenave, they would have killed him as well because they were looking to kill him. The people went into hiding. They [not furhter identified] started inflicting damages. They set fire to the entire area. Sixty homes, including Deputy Jean Mandenave's home, were burnt in the Gobert area. This is the information we received this morning from Deputy Jean Mandenave.

[Ferari] *I would like to ask you a short question.* That was the legislative chamber information officer, Leon Rodolphe, who was giving us information concerning the death of Deputy Astrel Charles, who represented Pignon and Ranquitte in the Chamber. *But Mr. Rodolphe, what is your opinion? Was this a settling of scores or what?*

[Rodolphe] *As I told you, I was not there. So, I cannot tell you exactly whether it was a settling of scores. Even the bit of information I gave you is provided with reservations because I was told all this this morning by Deputy Mandenave. I do not believe that I am the right person to tell you exactly what happened, but what is certain is that we know he is dead.*

[Ferari] Well, listeners, that was Leon Rodolphe, information officer at the legislative chamber, who has just shed some light on this matter concerning the death of Deputy Alfred Charles who—it seems—was reportedly killed in his (?hometown).

Meanwhile, the Chamber of Deputies did not really work as usual this morning. Only a few deputies were present. The Senate did not work either. The senators met in the tourism office, that is on the other side (?of the building). They are working on a resolution concerning the negotiations which they intend to send to the OAS. You will have more details on our next newscast. Thank you, studio.

Rumors of Aristide Return on 16 Dec Denied

FL1612222891 Port-au-Prince Radio Nationale in Creole 1400 GMT 16 Dec 91

[Statements by Deputy Robert Monday, vice president of the Chamber of Deputies; place and date not given—recorded]

[Text] In view of the grave circumstances that Haiti is going through, I believe it is my duty as a people's deputy to say a few words of wisdom. I heard Jean-Bertrand Aristide very well. He said, from a luxurious hotel in Venezuela, that he would return on Monday, [16 December] at 1600 GMT. This is sad. I say this is sad because Jean-Bertrand Aristide knows very well that he cannot enter the country on Monday and that he will not enter the country. When he asks the people to prepare for demonstrations and to wait for him, I believe it is not only a way to incite the Army to take reprisals against the people but also an opportunity for him to show that he likes blood, that he likes to see needless bloodshed.

That is why I also believe the time is not appropriate for that. It is not the right time for the people to demonstrate in the streets. Everyone should keep calm, while staying

home and waiting to see what will happen. Do not believe Father Aristide who says he will return on Monday, 16 December. This is not true. It is definitely out of the question. He is well where he is now. There is no threat against him. I do not see why the unfortunate people should take to the streets where they risk dying and being beaten needlessly. I really do not see what that will yield. That is why I urge the people to stay at home. I also urge the Army to remain calm and level headed and not to allow itself to be dragged into what Aristide would like to see happen in Haiti.

We already have an embargo on us. It is even too hard for us. It is not feasible for people to find death again needlessly. This is not possible and I also believe the authorities will take all necessary measures with complete peace of mind so as to impose... [changes thought] to prevent any setbacks that could occur this Monday.

Heavy Shooting in Port-au-Prince 16 Dec

FL1712143491 Bonaire Trans World Radio in English 1130 GMT 17 Dec 91

[Text] Haiti's military is investigating the shooting death on Sunday [15 Dec] of legislator Astrel Charles in the northern part of the country.

The Army is also appealing for calm. Heavy shooting was reported yesterday [16 Dec] near the Haitian Parliament building in Port-au-Prince. There were no reported casualties.

Hundreds of Haitian refugees at the U.S. Naval Base at Guantanamo Bay Cuba protested on Sunday for political asylum. For nearly 2 hours the refugees dismantled tents and cots and several clashes broke out. Some people were slightly injured and security police moved in to stop the trouble.

Army Explains Gunfire

FL1612225391 Port-au-Prince Radio Nationale in French 1600 GMT 16 Dec 91

[Press release signed by the Secretariat of the General Staff of the Haitian Army in Port-au-Prince; date not given]

[Text] The General Headquarters makes a point of providing information to the public about the repeated gunfire heard in several areas of the capital on the night of 15-16 December and that certainly disturbed and even caused anguish to the people. In fact, over the past week, searches carried out in several areas of the capital allowed [the police] to seize a great number of machetes, picks, firearms, and other items that could be used for dishonest purposes.

Heinous troublemakers fired shots last night from various points in the city in order to create a general panic. Others, riding in unidentified vehicles even shot at several military posts that obviously counterattacked. Military patrols were forced to scour the city for these terrorists who want Haiti to fall into chaos.

The Haitian Armed Forces remains alert and reiterates their willingness to ensure the security of lives and property as well as the defense of the territory.

Trinidad and Tobago

Reportage on 16 Dec National Elections

High Voter Turnout

FL1612231891 Bridgetown CANA in English 2244 GMT 16 Dec 91

[By Reudon Eversley, senior editor, on assignment]

[Text] Port-of-Spain, Trinidad, Dec 16, CANA—Election officials and political party leaders reported a generally high voter turn-out on Monday as Trinidad and Tobago went to the polls in general elections. Dr. Lenny Saith, chairman of the opposition People's National Movement (PNM), said based on reports from the field he expected the party to win at least 20 seats to form the next government. The PNM, in power here for 30 straight years until its defeat in the 1986 general election, has been the frontrunner in latest public opinion polls. But Fyard Hosein, elections officer of the ruling National Alliance for Reconstruction (NAR), said the NAR was going all out to capture most of the floating vote to ensure re-election for a second five-year term.

"We feel very confident," Hosein told CANA, citing a swing by undecided voters towards the NAR over the last four days. Prime Minister A.N.R. Robinson, on his arrival at NAR headquarters from Tobago, told CANA the NAR was "quite safe" in Tobago. However, he was unable to give an assessment of the situation in Trinidad because he said he had not yet been briefed by party officials.

Spokesmen for the United National Congress (UNC) and the National Joint Action Committee (NJAC) were not available for comment. Opinion polls have tipped the UNC to emerge with the second largest number of seats to retain its position as the official opposition in the 36-seat House of Representatives.

Polling stations across Trinidad and Tobago closed at 6 PM Monday, amidst reports of a good voter turn-out for a general election. Electoral officials and political party spokesmen described the turn-out as high. It was also high—65.45 per cent—in the 1986 poll.

Voting was peaceful, but there were hitches, according to spokeswoman of the Electoral and Boundaries Commission, Nathalie St. John. She said one problem related to people going to polling stations and finding their names were not on the voting list. She said this was because the people either did not re-register—with the revision of the voting list of 1986—or went to the wrong polling station.

However, Radio Trinidad cited an incident in the San Fernando West constituency where there were complaints by political party representatives of people soliciting votes on the premises of a polling station—something which is illegal. Electoral officials at the station had to intervene, the station said. Radio Trinidad also said that in the Nariva constituency, in eastern Trinidad, it was discovered that a book of ballot papers had the name of the UNC candidate misspelt at a polling station. According to the report, electoral officials said the votes would have to be rejected, but a UNC representative reportedly challenged this position, saying that despite the spelling of the name, people would have used the symbol of the party—the rising sun—in casting a vote.

Some 142 candidates—mainly from four political parties—are contesting the election. The National Alliance for Reconstruction is trying for a second straight five-year mandate. Latest opinion polls show the NAR trailing the Peoples National Movement.

Counting of votes was set to begin soon after the polls closed. The first results should begin emerging within one to two hours.

PNM Takes 'Early Lead'

FL1712005991 Bridgetown CANA in English 0047 GMT 17 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 16, CANA—The opposition People's National Movement [PNM] took an early lead as results from general elections here on Monday started to come in. At 8:35 PM (0035 hours GMT) the PNM was ahead in 18 constituencies, the United National Congress [UNC] was leading in 10, and the ruling National Alliance for Reconstruction [NAR] in three constituencies, including the two Tobago strongholds.

These initial results conformed with opinion poll predictions that the PNM would emerge with the majority of seats, with the UNC ending up with the second largest number, and the NAR in third position.

"The fight is between the PNM and the UNC and the NAR is performing poorly," a commentator on state Radio 610 said.

PNM Leader Manning Profiled

FL1712010791 Bridgetown CANA in English 0051 GMT 17 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 16, CANA—Five years ago geologist Patrick Manning watched his party get crushed in a general election. Only Manning and two other People's National Movement (PNM) candidates survived the relentless roll of the National Alliance for Reconstruction machinery to reach Parliament. The defeat surprised few, with the PNM under heavy fire for alleged corruption and squandering of public funds.

Critics were predicting a long sojourn in the political wilderness for the PNM, whose 30 year rule ended in mid-December, 1986. But the party came back with a vengeance, looking sleeker, younger, and in a fighting mood. Political analysts attribute the change largely to the drive of Manning, whose period as party leader saw several of the older party figures being nudged into the background.

Manning has surrounded himself with young—and he says able—politicians. His slate this time included only two candidates with cabinet experience—former Health Minister John Eckstein and ex-Industry Minister Wendell Mottley.

Manning, in his first speech as opposition leader in Parliament, declared that the party did not think of itself as the opposition.

"We cannot consider ourself as an opposition, but a government in exile," Manning said. In 1986, Manning, now 45, won his San Fernando East seat. The PNM's Morris Marshall and Muriel Donawa Mc Davidson also won.

Manning, who graduated from the University of the West Indies Mona, Jamaica, campus had worked as a geologist with Texaco Trinidad. After he was elected to Parliament in 1971, he was appointed parliamentary secretary in the Ministry of Petroleum and Mines until 1973. Between 1973 and 1974, he was parliamentary secretary to late prime minister, Dr. Eric Williams. He was later switched to the Ministry of Industry and Commerce and the Ministry of Works, Communications, and Transport.

In March 1978, he was made a minister in the Ministry of Finance and later, minister in the office of the prime minister, responsible for public information. In 1981, he was appointed minister of information and minister of industry, commerce, and consumer affairs. From 1981 to 1986, he was appointed minister of energy and natural resources. In the 1986 elections, Manning won his seat by only 61 votes over the NAR candidate Merle Stephens.

He became leader of the party after former Prime Minister George Chambers, who lost his St. Ann's East seat, resigned as head of the party. Manning became opposition leader in Parliament in 1987 but held the position for only one year. He was ousted in 1988 by an NAR break-away faction led by Basdeo Panday which formed the United National Congress (UNC). Manning, the father of two, is an Anglican.

Robinson Concedes Defeat

FL1712024791 Bridgetown CANA in English 0240 GMT 17 Dec 91

[By Reudon Eversley]

[Text] Port-of-Spain, Trinidad, Dec 16, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson,

conceded defeat Monday night as counting of ballots in a general election showed his party trailing. Robinson, speaking at his party's headquarters, told reporters:

"... The democratic process has worked. There has been a free and fair election and... the people have had the opportunity to choose... and we fully accept that decision without any reservation whatever."

NAR Defeated, Manning New Leader

FL1712031691 Bridgetown CANA in English 0336 GMT 17 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 16, [dateline as received] CANA—With the exception of Robinson and Pam Nicholson, the minister of settlements and public utilities, all the National Alliance for Reconstruction [NAR] government ministers looked set to lose their seats. The declared casualties so far included deputy prime minister and minister of planning, Winston Dookeran; Dr. Sahadeo Basdeo, the foreign minister; and Selwyn Richardson, the minister of health.

Others were Herbert Atwell, the minister of energy; Lincoln Myers, the minister of the environment who achieved national prominence in the 1986 election by defeating Prime Minister George Chambers; and Dr. Carson Charles, the minister of works.

At 10:15 PM (0200 hrs GMT) the opposition People's National Movement [PNM] was leading in 21 constituencies, with radio commentators saying the party held an unassailable lead in 16. The United National Congress [UNC] was leading in 13 constituencies, and election monitors described eight seats as assured. The NAR was leading in only the two Tobago constituencies. The opposition United National Congress took the first seat provisionally declared.

Sham Mohammed polled 8,177 votes to take the Caroni East seat from Industry Minister Bhoe Tewarie, who collected 3,539 votes for the National Alliance for Reconstruction. Mohammed, a former PNM parliamentarian who switched to the UNC, also beat Vijay Seukeran (4,240 votes) of the People's National Movement. Larry Gomes, a former West Indies cricketer, lost in his first outing at the polls. In the Arima constituency, Gomes, running on an NAR ticket, lost to educator Rupert Griffith of the PNM. Gomes polled 4,228 votes to Griffith's 8,462.

Analysts attributed the demise of the NAR government to the unpopularity of its structural adjustment measures, which they said caused severe economic and social dislocation, particularly among the poor.

Incoming Prime Minister Patrick Manning, credited with rebuilding the PNM almost single-handedly from its humiliating 1986 defeat by the NAR, had promised a government that would put the people's welfare above balancing the national budget.

The mood at Balisier House, headquarters of the PNM [People's National Movement], was a festive one. Thousands gathered there to await the arrival of party leader Manning, fron. San Fernando, in southern Trinidad. Manning is expected to make a statement as soon as he arrives there.

In San Fernando East, Manning thanked jubillant supporters for returning him as the constituency's representative for the fifth consecutive time since 1971.

"The last five year term has not been easy," he said. "I have no doubt that the next five year term will be even more difficult."

Manning immediately left for PNM headquarters in Port-of-Spain, where he will speak to the media as prime minister designate.

President Salinas Cited on Free Trade Agreement

PA1612172391 Mexico City NOTIMEX in Spanish 2125 GMT 14 Dec 91

[By correspondents Martha Trejo and Fernando Lezama]

[Text] Andrews Air Force Base, Maryland, 14 Dec (NOTIMEX)—Mexican President Carlos Salinas de Gortari reaffirmed on 14 December that his country, the United States, and Canada are committed to having the Free Trade Agreement [FTA] ready as soon as possible.

Shortly before returning to Mexico City, following his private meeting with U.S. President George Bush at Camp David on 14 December, Salinas said that the talks that the two chiefs of state held were positive, respectful, and cordial.

He said that the political commitment to have the agreement ready as soon as possible was ratified. He said at the conclusion of his 60-hour visit to the United States: We have reaffirmed our belief that the FTA is useful for the three countries.

Speaking to reporters who were waiting for him at the air base when he returned from Camp David by helicopter, the Mexican president said that increased trade has allowed the United States to create 250,000 jobs.

Salinas said that the FTA will be one of the tools used in the framework of the broad economic reforms his country is implementing. "We are already growing. With the FTA, we will grow more."

With regard to bilateral matters, the Mexican chief of state said his country has ratified of its own accord the commitment to improve the environment. He said that Mexico will not permit investments or technology harmful to the environment. He reported that while he was in Washington D.C. on 13 December, he spoke on the telephone with Canadian Prime Minister Brian Mulroney, who reiterated that his government is committed to having the FTA ready as soon as possible.

Salinas said that during his meeting with Bush, the two ratified the commitment of the two countries to struggle against drug trafficking.

In addition to the talks between the two chiefs of state, the U.S. and the Mexican Governments also held talks. During these talks, the Mexican president was accompanied by Fernando Solana, secretary of foreign relations; Jaime Serra Puche, secretary of commerce; and Jose Cordova, director of the Coordination Office of the Presidency. Pedro Aspe, secretary of finance; Gustavo Petriccioli, Mexican ambassador to Washington; and Herminio Blanco, head of the Mexican team negotiating the FTA, also attended the meeting.

The Mexican president said that during his meeting with Bush, which lasted approximately four hours, the two discussed the situation in Central America, especially the actions that their countries are carrying out in connection with the peace process in El Salvador.

Mexico has hosted the talks that the Salvadoran Government and the guerrillas have been holding for over two years in order to end 12 years of civil war in that country, a war in which 75,000 persons have died. The talks will resume in New York on 16 December.

President Salinas said that he and President Bush exchanged views on the Middle East peace talks that are being held in the U.S. capital, and on the situation in the Soviet Union and the impact that changes in that country will have on the world.

President Salinas is returning to Mexico City aboard the Mexican Air Force Benito Juarez airplane. The presidential plane took off from Andrews Air Force Base at 1440 (1940 GMT).

The Mexican chief of state is traveling with a delegation composed of the secretaries of commerce, finance, the head of the FTA negotiating team, and the special guests who came to the United States with him. Solana remained in the U.S. capital.

Government Denies Honecker Requested Asylum

PA1612201591 Mexico City NOTIMEX in Spanish 1912 GMT 16 Dec 91

[Text] Mexico City, 16 Dec (NOTIMEX)— The Mexican Government today denied that Erich Honecker, former leader of the defunct GDR, requested political asylum as the media has reported.

A spokesman of the Mexican Foreign Secretariat referred to remarks by Clodomiro Almeyda, the Chilean ambassador to Moscow, who said that Mexico could be the best option for Honecker.

The former East German leader is wanted by his country's justice system for the murder of approximately 200 people trying to cross the Berlin Wall.

A few months ago, Honecker, 79 and stricken with cancer, received support from the Soviet Government of Mikhail Gorbachev to travel secretly to Moscow, where he received medical treatment.

Germany formally requested Honecker's extradition from the Soviet and Russian Governments and, in view of the consent given by the Boris Yeltsin administration, the former GDR leader sought refuge in the Chilean Embassy.

Almeyda, who headed the Chilean Socialist Party and was an exile in the GDR during the Augusto Pinochet dictatorship, commented that Honecker is a guest at the Chilean Embassy.

The Chilean ambassador, who did not hide his friendship with Honecker, pointed out that the former GDR president's best option would be to request political asylum from Mexico.

A Mexican Foreign Secretariat spokesman noted that Mexico has not received any request in this respect from the Chilean or any other government.

"Honecker has the status of "guest." He is not a refugee and has not been given political asylum. Thus, there is no legal basis to evict him from the diplomatic headquarters in Moscow," a spokesman from the Chilean Embassy in Mexico stated.

The former GDR president could travel to North Korea as the Kim Il-song government has offered to give him political asylum and has even requested that the Russian administration grant a safe-conduct to Honecker so he can travel to Pyongyang.

Human Rights Commission Report on Prisons

PA1612151991 Mexico City XHTV Television Network in Spanish 0200 GMT 13 Dec 91

[Text] The National Human Rights Commission has presented President Carlos Salinas de Gortari with a report containing recommendations on reforms in the Mexican penitentiary system. The document notes that many of the nation's jails are overcrowded, the inmates are abused, power and privilege groups are allowed to operate within the jails, and the facilities are deficient. The document also notes that there are violations of basic human rights such as nutrition, work, shelter, health, education, family relations, dignity, and legal recourse.

The commission states that it visited 85 jails throughout the nation and issued 11 urgent recommendations to solve human rights violations at those facilities. The organization also reported that during its tour of these penitentiaries it verified that rehabilitation programs for the inmates were not being implemented. The National Human Rights Commission proposed measures such as legislative reform of the laws that govern the penitentiaries, systematic education programs, technical reorganization, and the establishment of financial options that would lessen the state's burden in running these institutions. The organization noted that the main challenge is to combat corruption within these installations or all measures implemented would fail. Moreover, the commission offered to cooperate with the authorities who try to implement these recommendations as well as to make sure that the changes are made.

El Salvador

Cristiani on Economic Situation, Foreign Aid

PA1612172291 San Salvador Radio Cadena YSU in Spanish 1230 GMT 13 Dec 91

[News conference by President Alfredo Cristiani in Tegucigalpa during a recess at the 11th summit of Central American presidents on 12 December, with unidentified Salvadoran journalists—recorded; broadcast in progress]

[Text] [Cristiani] ...but you will also notice that the result of these policies—if you compare the current macroeconomic situation of the country with the situation we received in 1989, you would realize that it is not in vain [chuckles], that we are doing this or that we are not doing this to bother anyone or any specific segment of the population.

I believe that El Salvador currently has a much better development outlook than it had two years or two and a half years ago. We must keep in mind that development should benefit people in general and not just one segment of the population.

[Reporter] [Question indistinct]

[Cristiani] To quantify the needs, I will tell you that the government's social development plan—in the various areas, education, health, housing, and so on—requires $1.197 billion, and the country only has about $450 million. We hope to obtain the balance from foreign aid. A large portion corresponds to what is called nonrefundable loans—that is, donations.

You earlier heard very clear statements—and I hope they will not be forgotten—from the UN Development Program and others that they are willing to collaborate with these development programs. These organizations, which today signed this commitment as guarantors or, if you will, as witnesses of the commitment, also agreed to give financial support to these programs, because our countries lack the funds.

Although El Salvador's foreign debt is higher than it was in the past, when our country was more conservative in regard to acquiring foreign debt, we are making efforts to develop mechanisms to reduce it through the Initiative for the Americas, the Association for Democracy and Developments, and other programs that the United States is implementing.

We have already fulfilled many requirements needed to start negotiations on the pardoning of debts and on the swapping of debt for environmental and social programs to reduce the debt. I personally prefer to indebt myself by investing in social programs rather than in other areas, because the development of the country will be guaranteed to the extent that we invest in the Salvadorans and their ability to improve.

[Reporter] Mr. President, [words indistinct] that have been discussed at this 11th summit of Central American presidents and linked it to our country, because it pertains to the peace negotiations between the Farabundo Marti National Liberation Front [FMLN] and your government. What social measures would be adopted to reintegrate all of these people to regular activities in our country?

[Cristiani] We have already drafted what we call the national reconstruction plan, which contains programs to help the segments of the population most affected by the conflict, including former FMLN and former Salvadoran Armed Forces combatants. In this regard we also believe [chuckles] that we will need foreign aid, because they involve very ambitious but necessary programs for the country.

The idea is to give everyone the opportunity, to the extent possible, to rejoin society, even the country's productive life. This would be done through training programs for small businesses, loans, land distribution among peasants, and mechanisms that the government already has in place—there are three, or rather four including the one involving state land—as well as other programs that would facilitate incorporation into significant productive life by generating jobs and infrastructure reconstruction programs. This would require an enormous number of workers—that is, should we manage [chuckles] to obtain the funds to implement them.

FMLN Asks Cristiani To Attend Peace Talks

PA1612145291 Mexico City NOTIMEX in Spanish 1925 GMT 15 Dec 91

[Text] Mexico City, 15 Dec (NOTIMEX)—On 15 December in Mexico City, the Salvadoran guerrillas demanded the presence of President Alfredo Cristiani and Defense Minister Rene Ponce at the peace negotiations that will resume on 16 December in New York.

Roberto Canas, spokesman for the Farabundo Marti National Liberation Front (FMLN), told NOTIMEX "that without these figures the conditions will not exist for the signing of a cease-fire agreement before Christmas."

The FMLN delegation of 15 commanders, among them Jorge Shafik Handal, traveled on a commercial flight to New York on 15 December to initiate the round of negotiations with the Cristiani government's representatives.

Canas, interviewed at the Mexico City International Airport, pointed out that Cristiani's and Ponce's presence, "even for a few days," would accelerate the negotiations to end the war which, in 11 years, has taken 75,000 lives.

"We have tickets to return to Mexico City on 23 December, therefore, the FMLN has the political resolve to achieve political agreements prior to that date," Canas said.

Shafik Handal, meanwhile, insisted that "we will go to New York in an attempt to end the war and to achieve the peace our people desire."

The Salvadoran Government and guerrillas will resume the talks they held for 16 days in San Miguel de Allende, Guanajuato State, 350 km from Mexico City.

Canas explained that there are four "widely different" topics: the creation of the civil national police, the distribution of property, the FMLN's transformation into a political party, and the purging of the Armed Forces and the end of its impunity.

"We are convinced that we will achieve peace in New York, but we are not dismissing the possibility that the negotiations may extend into next year," the spokesman said.

If political agreements on the topics in the reduced agenda are not achieved, he added, "the entire world will be disappointed."

"We are not going to sign documents and agreements just for the sake of doing so. The documents must respond to national interests and the FMLN's willingness to withdraw from the mountains," he said.

FMLN's Commander Guardado on New York Talks

PA1612160591 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 13 Dec 91

[Text] Commander Facundo Guardado, head of the Farabundo Marti National Liberation Front [FMLN] forces in the northern part of Chalatenango, left the FMLN-controlled territories aboard a UN helicopter on the morning of 13 December on his way to the new round of talks to be held in New York. Commander Guardado and other FMLN military leaders will participate in the cease-fire talks at the United Nations. Manuel, who is an FMLN correspondent, was in San Jose Las Flores at the time of Guardado's departure. This is his report.

[Begin recording] [Manuel] Commander Guardado left Chalatenango Department on 13 December as a member of the FMLN delegation that will participate in another round of cease-fire talks. Guardado spoke to Radio Farabundo Marti and an international television station on the round of talks scheduled to begin in New York in a few hours. He said that the FMLN believes that it is possible to conclude the negotiations in the remaining days of December. He also said that final details are being considered regarding the final agreements on the reduction of the Armed Forces, the creation of a civilian national police, economic and social issues, the FMLN's participation in political life, a schedule for the implementation of the accords, and a cease-fire. Guardado said a cease-fire agreement could be reached by the end of the year and expressed the FMLN's concern over the right-wing pressure to prevent such an agreement.

[Guardado] We think such agreements will probably be reached. We are concerned, however, that there is still strong pressure from the right, the country's most recalcitrant and warmongering circles, to prevent this agreement. For example, we heard Vice President Merino say that the UN secretary general's decision is an adventure. We think otherwise. The establishment of peace is no adventure. That this is an adventure is the opinion of the people who would rather continue to make war. However, we believe that in the end these circles will be isolated by the Salvadoran people and the international community and that they cannot prevent this process from resulting in a final conclusion. We hope President Cristiani will get rid of these circles that keep pressuring him against an agreement. We think joint participation is vital. The FMLN general command will send top leaders as delegates to the talks to expedite the decision-making process. We hope Cristiani will resist the pressure of the right wing.

[Manuel] Just in case no final agreements are reached by the end of the year, Commander Guardado said the FMLN expects the negotiations to continue even after the new UN secretary general assumes office.

[Guardado] The process is advancing based on the political-military correlation established in the country and on the international community for a solution on a political and diplomatic level. The international community has made a commitment to back this process. We fully expect to go forward even after the new secretary general assumes office.

[Manuel] Regarding the recent remarks by General Cepeda, who said that only the Armed Forces had won the war, Guardado said that this contention has not been proved. [end recording]

FMLN Communique on Plane's Emergency Landing

PA1612195991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Dec 91

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, on 13 December; place not given]

[Text] 1. The Farabundo Marti National Liberation Front [FMLN] reports that on 12 December an engine of the plane in which Commanders Raul Hercules and Facundo Guardado were traveling from Honduras to Mexico City was destroyed by an explosion in midflight. Thanks to the crew's skill, the airplane made an emergency landing in Cuernavaca, Mexico, and no one was injured.

2. Commanders Hercules and Guardado were being transferred by UN personnel—a Spanish colonel and a major—so they could join the new round of talks that will begin in New York on 18 December [date as heard].

3. The airplane chartered by the United Nations was new and no mechanical defect was observed. The nature of

the explosion of one of its engines points as a possible attempt on the lives of the commanders, possibly by sectors within the Armed Forces who are opposed to the negotiations and who seek to [passage indistinct] during the time the UN airplane was at the Honduran airport and adopted a hostile attitude toward the FMLN commanders.

5. The FMLN issues an alert to the national and international communities and demands an exhaustive investigation of this incident, which comes in the wake of other recent suspicious events. One of those was the incident that occurred on 12 December when the Armed Forces prevented the landing of a UN aircraft that was transporting an FMLN commander to Guazapa Mountain after he participated in negotiations in Mexico.

6. The FMLN warns that it will respond to attempts to carry out criminal actions to prevent or destabilize the peace process.

[Signed] FMLN
[Dated] 13 December 1991

Guerrilla Commander Holds News Conference

PA1712040591 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Dec 91

["Part of" a news conference by Commander Jorge Melendez of the National Army for Democracy with an unidentified reporter in Morazan Department; date not given—recorded]

[Text] [Reporter] What will happen if the Armed Forces continues offensive operations in territories controlled by the FMLN [Farabundo Marti National Liberation Front]? Will the war resume?

[Melendez] It would be more appropriate to ask if there will be peace or not. As my comrade in arms have stated, the war already has a deadline. The New York Agreements have already established an ending point for the war. It has already been determined what is going to take place in this country.

It is important for the people to know what is currently taking place in El Salvador. The truth is that there have been three coup attempts during the past weeks against the government by so-called rightist groups. If there is no agreement, it is because President Cristiani is choosing to respect a sector he has acknowledged is only a minority within the Armed Forces and ARENA [Nationalist Republican Alliance]. However, this sector is quite powerful.

If this were not the case, he would simply decide to democratize El Salvador and honor the New York Agreements. Honoring the New York Agreements would entail cutting and purging the armed forces, creating a new police force by incorporating former FMLN fighters, and solving the land issue in those regions under FMLN control. Regarding this specific issue I am referring to land affected by agrarian reform and land owned by the government. In other words, that the government commits itself to provide a more democratic political regime, and that there is going to be a totally new El Salvador.

These are the points that are clearly defined by the New York Agreements, and they are what is going to take place in El Salvador. If this does not take place during the month of December, it is because of threats and pressure from the rightist sectors in the Armed Forces. These same sectors are armed, and have been able to carry out several massacres this month. They have even tried to murder some members of the Armed Forces who supported the peace negotiations. This is what is taking place in El Salvador.

This is the reason why the FMLN constantly calls attention to the fact that we are in the final phase of the war. There has been no winner or loser during this conflict. What will take place is not a revolution totally controlled by the FMLN, or an FMLN defeat and a victory by fascist armed forces. What is going to take shape is a demilitarized and democratized country. Even if sectors from the right want to prevent this, they may do it this month, but they will not be able to prevent it all next year.

We can surely tell the Salvadoran people that the biggest obstacle is a reduced but powerful group from the private sector, Arena, and the Armed Forces. However, they will not succeed and will eventually be defeated. If they want war, then there will be more war, but it will not be for long. No one is going to support those gentlemen, who seek only to scuttle the New York Agreements. The agreements were achieved after much sacrifice, and not only through the efforts of Salvadorans but also through the diplomatic initiatives of several countries, even the UN secretary general.

Unfortunately, these gentlemen are terror stricken when they even think about democracy in El Salvador. Whether they like it or not, there was a democratic revolution in El Salvador and its conclusion is at hand. Whether or not it takes place in December remains to be seen. We do not know yet. If they want war, the FMLN, its men and leaders, are ready and willing not to accept a country that is not democratized.

If this is the case, there will be war. But they had better not dream of a long war because this war will end soon and it will end with their defeat and with the victory of democracy and the implementation of the New York Agreements. That is what is going to take place in this country. The Salvadoran people and the international community can be sure of this.

Guatemala

President Serrano Supports Reintegration of Cuba

PA1612172191 Mexico City NOTIMEX in Spanish 1856 GMT 15 Dec 91

[Excerpts from an interview with President Jorge Serrano Elias by Mexican newspaper EL SOL DE MEXICO in Guatemala City; date not given]

[Excerpts] Guatemala City, 15 Dec (NOTIMEX)—Guatemalan President Jorge Serrano Elias said that to resolve the Cuban issue it will be necessary "to talk as Latin Americans to Latin Americans." In his interview with EL SOL DE MEXICO, he stressed that certain freedoms should be restored in Cuba.

Nevertheless, he pointed out that it is necessary to avoid harassing President Fidel Castro because that would only harm the Cuban people.

Serrano described as positive the efforts undertaken by the Group of Three (Colombia, Venezuela, and Mexico) to resolve Cuba's isolation problem.

Nevertheless, he emphasized that it is necessary to explore "other paths which so far have not been explored in seeking an understanding with Cuba."

Serrano said that his government has initiated an informal relationship with the Cuban Government. Although he said that for now it will be difficult to make further progress, "I believe that time is the best ally of noble causes and the search for peace." [passage omitted]

Serrano also referred to the suspension of U.S. military aid to Guatemala because of alleged human rights violations. He said that in his country people who have violated individual rights have been prosecuted, including certain military personnel.

"We know what we are doing and the rule of law in Guatemala is much more important to me than military aid," he said.

Serrano Elias also pointed out that he is in accord with a bilateral treaty with Mexican President Carlos Salinas de Gortari, whose government has managed to restore the economy and the business sector's confidence in the people.

Serrano Accused of Violating Constitution

PA1712042491 Guatemala City PRENSA LIBRE in Spanish 13 Dec 91 p 8

[Text] Lawyer Hector Rolando Palomo Gonzalez said on 12 December in a public meeting held at the Constitutional Court that President Jorge Serrano Elias violated three important constitutional principles by recognizing Belize's independence.

The public address was part of the proceedings in connection with the action of unconstitutionality [accion de inconstitucionalidad] filed by Palomo Gonzalez and lawyers Fredy Alberto de Leon and Luis Lopez Mancilla, who have demanded the annulment of Serrano's decision.

In his statement, Palomo Gonzalez pointed out that the constitutional principles violated were: procedural, procedures contained in Article 19 regarding transitory and final decisions, and Article 173 of the Political Constitution, which specifies that before establishing relations with Belize, the president should have called a referendum, which he did not.

In addition, Palomo Gonzalez said, the principles of territorial integrity and national dignity were violated.

He noted that Article 173, clause N, of the Constitution says that the president must protect territorial integrity and the nation's dignity. Those principles were violated when Guatemala relinquished its rights over Belize, which was a mistake, he added.

We hope the Constitutional Court magistrates will annul the measures adopted by President Serrano Elias so that Guatemala can negotiate with Belize under equal conditions, he said.

Palomo Gonzalez stressed that the action of unconstitutionality is not aimed at not recognizing Belize's independence, which has already been recognized by the international community.

We want Guatemala to recover its negotiating capacity with the Belizean state, and we hope there will be a favorable ruling by the second week of January.

Jorge Paul Castellanos Fernandez, representative of the Attorney General's Office, said the president acted within the law and complied with the Constitution.

According to Rodrigo Herrera Moya, secretary general of the Constitutional Court, the magistrates will have 20 working days to resolve the action of unconstitutionality.

Nicaragua

Agreement Reached With Rebel Leader in Jinotega

PA1612230991 Managua Radio Catolica in Spanish 1130 GMT 16 Dec 91

[Text] Jinotega Department is paralyzed as a result of clashes between the Sandinist Army and the forces of El Indomable [Jose Angel Moran Flores]. Public transportation officials in Jinotega are planning a strike. The mayors and the representative of Cardinal Obando y Bravo in the northern part of the country began mediation efforts to encourage talks between President Chamorro and El Indomable. Individual farmers in Jinotega are demanding a dialogue.

Journalist Alberto Rivera Monzon reports from Jinotega on the agreements reached by the mayors and the cardinal's representative with El Indomable.

[Begin Rivera recording] A commission of mayors visited Commander El Indomable in the mountains of San Rafael del Norte, specifically at the La Paz Estate 15 km to the north, and reached the following agreement:

A meeting was held on 13 December 1991 at the La Paz Estate with the following people: Cesar Duran Cano

Rodriguez, mayor of San Rafael del Norte; Carlos Humberto Altamirano, mayor of Quilali: Julio Elias Castro, mayor of Yali; Daniel Rugama S., council member; Alberto Blandon, representing the verification commission of Cardinal Miguel Obando y Bravo; and Alberto Rivera Monzon, representing the media. Also present were producers of the nearby communities and Commander Jose Angel Moran Flores, known as El Indomable, chief of the Commander 380 Northern Front.

In view of the instability that has resulted from the government's failure to make good on its promises and the rebel's reprisal in the form of setting fire to government and privately owned vehicles, we have reached the following agreement:

1. The mayors will immediately visit the president of the Republic and Cardinal Obando y Bravo to invite them to come to San Rafael del Norte and hold talks that will put an end to these actions and result in peace in Nicaragua. The government should also issue a communique suspending all persecution by the Army against the forces of El Indomable.

Commander El Indomable promises to suspend the transportation strike, once the government's communique that suspends the persecution of its forces is made public.

2. We will go to San Rafael del Norte on the date President Chamorro and Cardinal Obando y Bravo will specify to hold talks, just so long as security is guaranteed. [end recording]

Rebels Burn Two Buses in Jinotega Mountains

PA1612175391 Managua Radio Sandino in Spanish 1200 GMT 14 Dec 91

[Text] El Indomable [Jose Angel Moran Flores], who is determined to obstruct vehicle traffic in the Jinotega mountains, burned two buses on 13 December. According to Jinotega Police reports, armed men headed by Pinalito, one of El Indomable's leaders, set an IFA bus on fire 10 km southwest of Yali. The bus covered the Esteli-Yali route.

Another bus on the Esteli-Condega-Yali route was burned when it went by La Vainilla. Bus drivers have suspended trips to Yali; therefore, those who want to go there must walk long distances. Transportation cooperatives reported this to the government, Army, and police because they cannot guarantee the safety of cooperative members driving the Yali route.

Transportation Workers Issue Communique

PA1612235791 Managua Radio Catolica in Spanish 1130 GMT 16 Dec 91

[Communique from transportation workers in Jinotega; date not given—read by Jinotega correspondent Cesar Estrada]

[Text] On 15 December we gave radio stations a communique addressed to the nation. If the radio stations and the authorities received this communique, they ignored it and reported nothing to the citizens.

In that communique we announced a nationwide public and private transportation strike to inform the government that we reject the burning of radio stations, the Managua mayor's office, and private cars. We also reject that Mrs. Chamorro's defense minister is rearming and supplying the recompas and because the military bases of the Sandinist People's Army are used to supply the recompa troops and to pursue the Commander 380 Northern Front troops led by Jose Angel Moran Flores, El Indomable.

All the [words indistinct] from the Jinotega region demand a meeting with the president and El Indomable to enable them to resolve immediately the situation so that we may pick up the goods. It is the producers who are most negatively affected.

Marvin Ruiz, Alejandro Rivera, Gustavo Lopez Echeverria, and Alfredo Altamirano were stopped by El Indomable's troops, who were ready to set our vehicles on fire. Thanks to the mediation of Father Vila Araiza and to the fact that we are innocent, the decision was canceled.

Panama

Vice President Arias Views Future of Canal

PA1312202691 Panama City LA PRENSA in Spanish 13 Dec 91 p 44-a

[Report by Jose Quintero De Leon]

[Text] First Vice President Ricardo Arias Calderon said emphatically on 12 December that as far as the canal is concerned, there is no turning back; in the year 2000, the United States must comply with the agreements in the 1977 treaties.

Arias made this statement in an address he gave as part of a lecture series organized by the University of Panama Law Students Center entitled: "The Canal: A Permanent Controversy." Arias Calderon's lecture was on "The Canal and the Perfection of the National State."

According to Arias, there must be a "Panamization" of the canal by reversing the way the issue is handled; that is, one should go from the state to the canal instead of vice versa. He rejected as absurd the possibility of privatizing our most important resource.

Arias said Panamanians have just experienced two traumas: a ferocious dictatorship and a U.S. military invasion. In light of these events, Arias said, we Panamanians must continue with our national development, because Panama is not a country without a history or a nationality as some people claim.

Our task, he said, is to complete the final phase of the process to perfect our national state and convert it into a perfect democracy.

The remaining task, he said, is to seek development within the Latin American sphere, where changes are taking place at a dizzying speed. These changes will in turn generate new challenges. That is why we must create a new place for ourselves in relation to the rest of the world and its three centers of power.

In Arias' opinion, we cannot isolate ourselves because we would remain poor. We must join Latin America's integration processes. To do so is a challenge in perfecting the national state, Arias said.

Arias' presentation was applauded by the students, a marked contrast to the aggressive reception extended in late September to Vice President Guillermo Ford, whose bodyguards had to escort him off campus to avoid a major conflict.

Economics professor Jorge Castillo also participated in the conference. He did not give a lecture, but questioned the validity of the canal's impact on the national economy in view of the upcoming reversion and its role in the perfection of the Panamanian state.

Editorial Calls for Reaction to U.S. 'Offenses'

PA1412012991 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Dec 91 p A-

[Editorial: "Where Is the Legislative Assembly?"]

[Text] Shortly after President Guillermo Endara Galimany's government was installed in office—under circumstances known to all Panamanians—the Legislative Assembly was established—although it was initially incomplete—as an organ of the state that, as its name indicates, is designed to create the laws that govern the activities and conduct of the country's citizens.

This Legislative Assembly, elected by secret, universal, and direct vote, is comprised of people from all social strata who, although they have different ideas, all have the same mission.

Some people question its performance. Others feel that it has been used by several politicians as a forum to demonstrate to the country their qualities as excellent orators in bombastic speeches that in the final analysis say nothing. The most optimistic view is that this organ is moderate and that it complies with the law.

In due time, and when the occasion arises, it will be up to all of us to judge the work of our Legislative Assembly. In the next elections there will be many surprises, dispelling the illusions of some honorable legislators who think that beautiful words and a magnificent timbre of voice can fool our people who, sick and tired of so many falsehoods, no longer believe anything.

Because they have a few years before their term of office ends, the honorable legislators should seek along the way actions that redeem them from the reputation—which is unjust to some—of being idle people who go to the forum to confuse the country more and collect a magnificent salary.

How can legislators hope for support from the citizenry if they fail to protest when a helicopter gunship of a nation that is supposedly respectful of the rights of others flies through our national airspace without the authorization of the state, in open violation of established regulations?

How can those legislators redeem themselves from a not very savory reputation when they allow the archives of our republic, photos, and compromising documents to be taken from the nation's bosom to another country without the permission of our authorities, and they say nothing?

How can the Assembly fail to make a statement when a humble Panamanian is put in jail because, in fulfillment of his duty, in a very dangerous area, and when his order was ignored, he used his service weapon to fire upon a vehicle that was traveling without lights on the wrong side of the road and a U.S. citizen was unfortunately killed?

These are recent incidents. The list of cases in which the legislators have shown indifference is extensive, yet the legislature, which is bedecked with citizens who in the past have made claims of patriotism, has not been moved, with the exception of some isolated voices that have not stopped clamoring for respect for the nation's integrity.

The Legislative Assembly speaks up vigorously, vibrantly, and in unison in voting on a resolution against the actions of Panamanians who misinterpreted the law and violated a legislator's immunity; however, our airspace is violated, our archives are removed without authorization, and through complex maneuvers a citizen is kept in jail because, considering it to be his duty, he used his service weapon in what others have chosen to call "an excessive use of force."

It would be sad to think that the legislators have become mute in the face of the aforementioned incidents and many others that are still unresolved.

We must resign ourselves to the belief that they can be that indifferent to so many offenses against the nation.

Committee Calls For Referendum on U.S. Bases

PA1512015891 Panama City EL SIGLO in Spanish 13 Dec 91 p 32

[Communique issued by the Committee for Popular Consulation on the U.S. Military Bases in Panama; date not given]

[Text] The worst economic and moral crisis in our history is pitilessly thrashing our people and punishing our destitute citizens, the majority of whom are Panamanian. Unemployment is climbing dangerously. Thousands of young professionals who graduate each year have no hope of getting jobs, while others are forced to accept positions far below their educational or cultural levels with salaries that barely cover their scarce living standards. Those who can immigrate produce a brain drain for the nation, while others who are less fortunate with fewer opportunities are forced to engage in illegal activities. Those who turn to illegal activities for their own survival become the scourge and scorn of society.

Faced with this chaotic reality that is undermining the structures of the Panamanian family and of society in general, the question of the convenience of the U.S. presence on the military bases in our territory has arisen with greater force. Predictably, the voices of opportunistic ultranationalists have risen from small, boisterous, and aberrant minority groups, to the detriment of the majority that remains silent because it does not have access to the media to express its opinion.

What is surprising is that these boisterous and aberrant minority groups, who have the economic means to make an all-out display of their demagogic stances through the media, are the same ones whose ideological and party roots are linked to European and Eurasian powers. These powers could include the Panama Canal in their expansion plans, among other areas of influence, to control world maritime trade after the year 2000.

These minorities—who believe they have a monopoly on nationalism and public opinion—maliciously fail to note that nations in the Americas, Europe, the Middle East, and Asia, with many centuries of nationalist traditions, allow foreign military bases on their territories. These bases operate in accordance with bilateral treaties or agreements that in no way harm their national dignity, much less limit or undermine their rights as free, sovereign, and independent nations.

For this reason, and given our respect for the will of the majority, we officially request that a public referendum be held to determine, in an unquestionable fashion, if our people consider the U.S. presence on the military bases in our territory convenient. This public referendum is a right and a duty set out in our Constitution. Well aware of the dire fiscal and economic situation we are going through—with no sign of a miraculous recuperation—we propose that the referendum to approve or reject the constitutional reforms include the issue of the U.S. presence on military bases in our nation, based on norms of mutual respect between free and sovereign nations.

In this way we would be practicing the democracy that we preach. Our people could express their true feelings through a direct and secret vote, without opportunistic middlemen or electors who seem to be following secret slogans from beyond the continent. These are the same middlemen who want to follow the paths of ultranationalists and impose their will on the majority. [Signed] "Committee for a Popular Consultation on the U.S. Military Bases"

Ray Bishop, acting president

Legislator Leo Gonzalez, acting vice president

Committee Examines Government Interest Payments

PA1612191991 Panama City Telemetro Television Network in Spanish 1720 GMT 12 Dec 91

[Text] A special committee has been formed to find ways to normalize local private debt payments by the government. The committee—which is made up of insurance brokers, bankers, private creditors, and investment brokers—expects to begin discussions with the Comptroller General's Office on coordinating interest payments due on 31 December.

The objectives of the committee as outlined by member Lloyd Smith are as follows:

[Begin recording] [Smith] The objective of the meeting was to gather all private bond holders to try to solve the issues related to the nonpayment of interest coupons. The government had scheduled interest coupons corresponding to bonds issued during 1989 and 1990 to be paid in 1991. However, we are practically at the end of the year and the Comptroller General's Office still has not given instructions to execute payment.

Specifically, the problem is that the Comptroller General's Office has not assigned the amount approved by the 1991 budget under the interest payment category. This year's budget includes $3.2 million for the payment of this interest.

Bond holders are very concerned that the Comptroller General's Office will not make the payment by the end of the year. This issue is more delicate because budget legislation clearly indicates that if a specific payment is not made by the end of the year then payment is included in the following period. [end recording]

Government Stops Granting Cubans Visas

PA1512232291 Panama City LA PRENSA in Spanish 14 Dec 91 p 1-a

[Text] Government and Justice Minister Juan Chevalier has said that the government has stopped issuing visas to Cuban citizens who wish to visit Panama until the investigation into alleged irregularities similar to those that characterized the defunct military regime are completed.

Chevalier said that Antonio Dominguez, director general of the Immigration Department, made the decision after the Cuban-American Foundation in the United States stated that there are still irrgularities in the granting of visas to Cubans like there were during the times of Manuel Antonio Noriega's military government.

According to Clara Del Valle, member of the Cuban-American Foundation, Cubans have arrived in Miami after paying between $1,000 and $1,500 per person for a visa.

The government minister stated his displeasure with Clara Del Valle's statements because, according to him, she said that high-ranking Panamanian officials were involved, but did not mention any names.

Chevalier also explained that he will send a formal letter asking Del Valle and other Cubans to provide details about the individuals who gave the orders and granted the visas and what other officials are involved.

Also, a group of Cubans in Panama has told Dominguez that they feel "abandoned" by the Cuban-American Foundation because the foundation has not fulfilled its role as mediator between Panama and the United States in delivering them to Miami.

These Cubans were promised that they would be taken to the United States before December 1990, but to date they are still in Panama and facing an uncertain future.

Those Cubans who are in Panama have received special tourist visas while they wait to be taken to the United States.

Argentina

Foreign Minister Visits South Korea

WA1712131591

For reportage on the 11-15 December visit by Foreign Minister Guido di Tella to the Republic of South Korea, including reports on his talks with South Korean President No Tae-u and Foreign Minister Yi Sang-ok, please see the South Korea section of the 17 December East Asia DAILY REPORT and subsequent issues.

* Labor Shortages, Unemployment Examined

92SM0130A Buenos Aires CLARIN in Spanish 17 Nov 91 p 20

[Article by Adriana Lauro]

[Text] Businessmen complain of a lack of manpower; the president of the nation claims that 700,000 jobs have been created; National Institute of Statistics and Census (INDEC) surveys mention a decline in unemployment of about 200,000 people and the want ads in the newspapers have doubled in the last 12 months.

Meanwhile, there are repeated manifestations of public employee discontent over the closure of enterprises; current unemployment (6.9 percent) is, with the exception of the critical years of 1989 and 1990, the highest in the country's history, and more than 4 million people are underemployed, according to a study by the International Labor Organization (ILO).

How can such disparities be explained?

Today the gap between the people who have ended up on the two sides of the reactivation is widening. There is a shortage of construction workers, electricians, milling machine operators, lathe operators, chemical technicians, and skilled workers in general who are willing to work in industry. There is a surplus of bank employees, government administrators, engineers, attorneys, doctors, accountants, psychologists, architects, and all kinds of professionals, both recent and not-so-recent graduates.

Waste

During 15 years of regression, as Argentina's productive apparatus fell apart, its human resources deteriorated. The well-known exodus of scientists and professionals was matched by one of less skilled and less well-paid wage-earners, but while the former emigrated to other countries, the latter fled to other activities. Many of the people who worked in industry then took refuge in self-employment, along with those who lost their jobs (altogether, that was the destination of some 3.5 million Argentines).

Moreover, those who left were not replaced, because the possibility of obtaining training no longer existed and there are hardly any young people with the skills for any job. Today, when industry goes out looking for the workers it laid off, it cannot find them. It is not offering them too much to come back, either: a bricklayer's assistant earns 8,000 australes an hour, compared to the 30,000 or 35,000 his wife can earn as a domestic, and she also gets meals and bus fare.

"Whenever a job for a skilled worker is advertised, only 15 people show up, and of them only three meet the requirements," says Eduardo March, business manager for the temporary employment firm Manpower. He claims that employers are not expecting too much.

Wages Not Attractive

"There are metallurgical firms that are offering wages in the range of 22,000 australes an hour (30 to 40 percent above the contract) and they cannot find the right people, either," complains Rolando Pietrantueno, head of the Argentine Industry Council, which represents small and medium businesses.

The problem is, there is no surplus of people with good skills who are willing to work in a factory for a little over 4 million australes a month. But according to Eduardo March, employers know that they cannot offer much more, and this month there will certainly be adjustments to obtain the manpower they need.

Construction workers are also beginning to be in short supply. The maximum of 1.5 million australes that workers in the construction union earn every two weeks is not a good lure when it comes time to recruit crews. In addition to the general conditions prevailing in the industry, "after a decade when nothing was built," says specialist Rosalia Cortes, "the usual workers from Bolivia and Paraguay have gone back home."

The auto parts industry is suffering one of the worst labor shortages. Until last year, this sector was on the skids and had to get rid of the manpower it now yearns for.

Auto manufacturing firms, on the other hand, saw sales triple this year, and have resorted to other strategies: suspensions, shorter shifts, and fewer workdays. "The reactivation is requiring that we simply lift those cushions left over from the days of poverty, add some overtime, and expand the plant by a maximum of 5 to 10 percent. Obtaining manpower is not a problem, either: Each worker is bumped up one position, and less skilled people are hired," comments Guillermo Livio Kuhl, who works in the automotive industry.

For the time being, no one thinks the sector can absorb more than 1,000 people, which is the same number of jobs that the head of Sevel, Francisco Macri, offered the government as a contribution to the labor reconversion.

Recycling Labor

President Carlos Menem, perhaps enthused by the support some businessmen have shown, declared, "People who do not want to work do not work here." And among

the unemployed who do not want to work as lathe operators and construction workers are people who are trained only for administrative positions in government offices, banks, or professional fields. Even if they wanted to, it would be impossible for them to begin raising walls or operating power lathes in a shop, simply because they do not know how.

In general, government officials are aware of the limitation, and they recognize that to solve the dichotomy of the manpower shortage and pockets of chronic unemployment, it is imperative that labor reconversion programs be implemented. So far, such programs are conspicuous by their absence. "For the time being, this is, as it is technically called, a savage reconversion," stated ILO expert Alfredo Monza.

The employment bonus (see box) is the only alternative the state is offering today in terms of labor reconversion. But it would cover fewer than 0.5 percent of the unemployed workers in the country who also have a field of specialization in productive areas.

The director of employment policy for the Labor Ministry, Noemi Cohen, emphasizes that the Employment Act contains other measures designed to find a convergence between supply and demand, but she acknowledges that quite some time will go by before they can be put into practice.

While government officials agonize over the best solution, nearly 850,000 jobless workers are doing the same in a struggle that does not end with mere employment; it is income that matters.

Industrialists claim to have confidence in the course set by the government and the promises it has made, but the moment of truth comes when it is time to hire personnel; then their vacillating contrasts with their lofty rhetoric, and the argument of labor costs comes to the fore (right now these costs are held down by the flexibility laws). "Businessmen still face serious credit restrictions, and they need to restore confidence to maximum levels; for these reasons, among others, they are not taking on more people," says Cesar Tortorella, head of the General Confederation of Industry (CGI), with reference to the situation of small and medium businesses.

The figures compiled by selectors of temporary personnel confirm businessmen's doubts: The demand for occasional workers has doubled in the past year, but contracts are made for no more than two or three months, and if luck holds, they are renewed.

The scaffolds have been put back up (but "the construction boom is now in the area of private housing," says the Argentine Construction Union). And although part of industry and commerce is celebrating the resurgence in demand, nearly ⅓ of capacity is still idle among all of the factories that have survived the deindustrialization.

[Box, p 20]

A Bonus for a Few

To soothe the growing discontent over lay-offs at the state enterprises Argentine Iron and Steel Joint Association (Somisa), Hipasam [expansion not given], and Altos Hornos Zapla, the government has launched a strategy of labor reinsertion. It arose out of a specific decree and applies only to those cases. "For those who are laid off from private firms or are unemployed, other solutions will have to be found," say the officials in charge of the project.

The workers who decide to participate in these programs (the other option is voluntary retirement) will receive their severance pay in cash if they collect less than $4,000. Above that amount, they will receive a 50 percent increase in their compensation, but divided into monthly payments (spread over two or four years). The funds, which come from the Treasury, will be allocated by the Banco Nacion.

Employers who hire these workers may take out loans (with terms of four years and at a rate of about 10 percent annually in dollars) for the amount of the payment made to each worker.

The system, called the employment bonus, was agreed upon by the Labor Ministry and representatives of small and medium businesses grouped in the General Confederation of Industry (CGI).

Two lists will be cross-checked: the list of workers and their skills (drawn up by the Labor Ministry) and the list of business needs, compiled by the CGI.

* Corach on Presidential Under Secretary's Role

92SM0124C Buenos Aires SOMOS in Spanish
11 Nov 91 pp 28-29

[Interview with Carlos Corach, u[illegible]er secretary general of the Presidency, by Any Ventu[illegible]place and date not given]

[Text] [Ventura] You do not seek publicity and you want no shiny medals, but let us admit, Dr. Corach, that you are the man who cleans up the messes that others make: the business about the aprons, Yomagate, Servini de Cubria.

[Corach] No, that is not true. In order to understand my job, you have to first understand the role of the general secretary. Bauza is the person who sees that problems reach the president with the least amount of conflict possible. He is the one who intervenes in all areas of government.

[Ventura] Clearly, that entails a great deal of power and it makes Bauza the No. 2 man.

[Corach] No, it makes him the man who enjoys the president's total trust.

[Ventura] So he is No. 1.

[Corach] No. In our government, there is only one man at the top and that is the president. All the rest are equals.

[Ventura] And what about Manzano? Where does he fit in?

[Corach] He is an equal.

[Ventura] If Bauza is the person who intervenes in all areas of government, then you are automatically authorized to go to court, talk with the judge, have coffee?

[Corach] Look, I have been the Justicialist Party's representative for 10 years and, as such, I need to have daily or weekly contact with the election judge.

[Ventura] That puts you in a hinge position: What you cannot do as under secretary you do as party representative. It is impossible to get around you!

[Corach] No, not at all! My presence in court should not surprise anyone.

[Ventura] It surprises justice itself. Servini de Cubria is being tried by half of the court.

[Corach] It is the Chamber of Deputies that decides whether a judge is guilty or not.

[Ventura] Amira Yoma, Ibrahim al Ibrahim, Servini de Cubria, the aprons, customs: In you, they have an alchemist. You are the man who turns evil into good by your presence alone. A friend of mine says it is a very Jewish characteristic, taking on redemptive tasks.

[Corach] (He laughs.) That is an ingenious idea, but I cannot allow you to presume that I can transform evil into good. Any civil servant must have the patience and determination to explain the problems that arise.

[Ventura] Such as, for example, the statements—not denied—by the minister of justice to the effect that Servini de Cubria is a judge with great backing.

[Corach] That is something you should ask Minister Arslanian, a personal friend of mine.

[Ventura] But there are rumors making you the next minister of justice.

[Corach] No, that is not true. I do not want to be minister of justice.

[Ventura] Will you always be the man behind the throne?

[Corach] I do not have the vocation to be minister of justice and one must have a vocation for justice. I do essentially have a great political vocation.

[Ventura] You said some time ago that any civil servant must have the patience to explain the government's political decisions. Are things easier to explain today with a minister of interior such as Manzano?

[Corach] I think Mera Figueroa completed one phase. Manzano is a good minister for the dialogue phase.

[Ventura] They say the "Blues" greatly resemble the radical "Coordinating Committee."

[Corach] I do not think there is any political organization that answers to the name of "Blues."

[Ventura] Nor was there one with the label of Coordinating Committee.

[Corach] What we do have are men with similar backgrounds and personal affinities. That is how one writes "politics": with likes and dislikes. Furthermore, it is a group of men who also profess clear loyalty to the president.

[Ventura] And who leads these heroes of romanticism?

[Corach] It is a consortium.

[Ventura] Who is the consortium's president? Its administrator?

[Corach] It is a group of persons without a head.

[Ventura] That is terrible! They end at the neck!

[Corach] Because people refer to Bauza's Blues, Manzano's Blues, Eduardo Menem's Blues, perhaps they are the most representative figures.

[Ventura] Tell me, Corach, is it not almost surrealistic that there should be problems with the Supreme Court after so much trouble was taken to set it up?

[Corach] A solution will be found. The Executive Branch is determined to resolve the matter.

[Ventura] Every time someone complains that the Executive Branch is meddling in the Judicial Branch, someone else comes forth to say: "Never before have individual freedoms enjoyed such liberty."

[Corach] To those frightened by the political-legal functions of our Supreme Court, I would say that in the United States, that function is multiplied by ten.

[Ventura] They say you are responsible for maintaining good relations between Argentina's Jewish organizations and Carlos Menem.

[Corach] Indeed, I have never concealed the fact that I am a Jew who has spent his whole life trying to make the community understand Peronism. I think this has finally been achieved under Menem.

[Ventura] As a leader of the Capital Justicialist Party (PJ), what do you think of the idea of Porto as a senator?

[Corach] That is a possibility.

[Ventura] In this case, it will not be easy to develop your gifts as an alchemist. Many leaders will not be convinced even by Judge Servini de Cubria's Movicom or a starched apron or a Samsonite dressed for summer.

[Corach] The members of the PJ are not the issue. Nor does the issue have to be decided now. Porto may be one of the candidates.

[Ventura] Is he not an irritant?

[Corach] Well, there are also other candidates such as Miguel Angel Toma or Grosso himself.

[Ventura] Who will win and who will lose if you are not the next minister of justice?

[Corach] I do not think I should be minister of justice. I do not want to be and should not be.

[Ventura] There are rumors of Granillo Ocampo and Dromi.

[Corach] No, I do not think that anyone can replace Arslanian.

* General Balza's Background, Views Reported

92SM0124B Buenos Aires SOMOS in Spanish
4 Nov 91 pp 10-11

[Report by Jorge Grecco]

[Text] "Beware of tall generals," the politicians say, trying, using imperfect methods, to sniff out the slightest hint of any "coup leanings" in a soldier. The former head of the Army—a suspect force if ever there was one—Martin Bonnet, is a general, but not even his most enthusiastic admirers would say he is tall. His brand-new successor, Martin Antonio Balza, has an identical background, although his epaulettes do ride a few centimeters higher than the average. "But Balza is the exception," add those very same leaders, who, convinced of the infallibility of their own opinions, latch on to the "democratic" look of the new head of the military force.

Balza, 56, has never missed a chance to display his attachment to republican rites and has thus convinced more than one stubborn civilian to recognize that revolutionary ambitions are not solely the product of brains situated high above the ground!

The general's habits do not add up to the usual profile of a military leader: reader of the daily newspapers CLARIN, LA NACION, and PAGINA 12, a hiking buff, and a South American master's (senior) division swimming champion. Balza became a second lieutenant in the Artillery on 17 December 1955. He has served as instructor, chief of cadets, and deputy director of the Military School, professor at the Advanced War School, head of Artillery Group 3, and coordinator of fire support for the Army's "Puerto Argentino" unit in the Malvina [as published] Islands. His service in the Islands won him the Military Merit Medal awarded by the nation's Congress.

One of the comments that annoys the lanky general the most is the fact that he is distantly related to former President Raul Alfonsin, a question mechanically brought up in certain Peronist circles. By now he has learned to smile upon hearing it.

Outrageously "clean-shaven," Balza received a good rating from the "special services" for his background in the Malvinas, almost a sure ticket to win the praise of the followers of Aldo Rico and Mohamed Ali Seineldin. This view changed abruptly when, rifle in hand, the then deputy chief of the Army crushed the 3 December revolt.

Falklands and Discipline

Balza does not usually grant newspaper interviews, although his contact with the press is relaxed. However, one can sort out a few of his positions, particularly on the war in the Malvinas and his concept of military discipline:

"The Army is going through a doctrinary modernization in every sense. In previous years, doctrine did not go through this process of 'Argentinization' that we are all seeking. I want to point out one thing in particular: The matter of greatest concern to modern armies and ours also is concepts such as leadership, cohesion, and integraton. In the war in the Malvinas, they were palpable issues sometimes not sufficiently known to the people, although we now have to take them into account and continue to stress them. The enemy did recognize this, however, because at all times, the integration of the various factions, respect for command, cohesiveness and the action of the officers were very important."

[Grecco] By that you mean you could not get away with mistakes.

[Balza] Correct.

[Grecco] Where did the teamwork break down?

[Balza] At the higher levels.

The Malvina Islands is Balza's favorite issue and he takes increasingly clear positions.

[Grecco] What do you think the Argentine troops felt when they returned from the Islands?

[Balza] I think that when they returned to the mainland, they were greeted anonymously, hidden from a population that wanted to acclaim them even in defeat because they had fought for a national cause.

[Grecco] What effect did that have?

[Balza] I think one has to make a distinction between the Argentine people and those who arranged that reception.

[Grecco] Can such a distinction be made?

[Balza] Yes, because if you read the letters from our fellow countrymen, you will weep. They sent off kids, teachers, and professional people, and returning in defeat does not mean the feelings of that kid, that teacher, that professional person, have changed. I think it was a very great blunder and now, perhaps, those

responsible for it will admit it. However, I want to point out that within a relatively short time—eight years in the history of a country is nothing—that situation has totally turned around into something positive. Our people immediately demonstrated respect for their armed forces and two significant events took place in 1990, arranged by the authorities: the homage paid by Congress and the monument to the fallen soldiers. This demonstrates the greatness of the Malvinas and makes us forget that reception. It was a matter of waiting for them to come home just as one does for someone who went off to war, fought, and came back by the grace of God. Without question, the saddest time was their reception upon returning home.

[Grecco] But it was caused by people in uniform.

[Balza] Yes, yes, there is no question about it.

Pillars

The general states that an army has several pillars, but that for him, the most important ones are subordination ("The command-obedience relationship, which is impersonal. One does not obey a specific person; one obeys the rank. One does not give orders to a specific individual, but rather, to a subordinate placed there by law.") and discipline.

[Grecco] What changes inside a man who has gone through war, in terms of how he handles discipline?

[Balza] I do not think values change; absolutely not. On the contrary, examples throughout history lead us to the conclusion that a man who has been through war places more value than ever on the basic pillars of the army in their true dimension. Let us not forget that the best voice of command is example. It is the best argument and the most convincing reason that gives substance to words. Words convince, but examples win one over.

Balza maintains impeccable relations with his American colleagues and has already visited several military units in the United States as the guest of that country's Army. The impression he brought back to Buenos Aires could not be better, and at every opportunity he reels off praise for the professionalism of the Americans.

Rightly or wrongly, his promotion to leadership of the Army was a possibility practically since the day he became Bonnet's deputy. The situation has obviously not caught him off guard. He has always given the impression that sooner or later he would lead the Army. It is not the ideal time for it, but it is the only thing left for him to do.

[Box, p 11]

General Relief

"Relief" was the word heard most when General Martin Bonnet's resignation was announced. It would even have been the term he would have chosen himself to explain his state of mind. The former military chief's clashes with the government—which have now turned into arguments over promotions and replacements—had led him to the point of no return, his sole remaining hope being that President Carlos Menem would personally delay his resignation. That dream was not to come true, however, and Bonnet joined the ranks of the retired.

Bonnet is blamed for the Army's current inactivity, and his harshest critics say he leaves with his image ruined: "He did not rouse hatred, nor did he gain support or followers. He made a bad impression on everyone."

Concerning the reorganization of the Army, the former chief was viewed as responsible for delaying "specific actions," hiding behind the platitude that "If there is no money, I will do nothing." There is plenty to do without having to reach into one's pocket, it is claimed.

Brazil

* Gros on Indexation, Public Deficit, Solutions

92SM0132A Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 22 Nov 91 p 4

[Interview with Central Bank President Francisco Gros and AGENCIA ESTADO reporters Nelson Oliveira, Gecy Belmonte, and Ribamar Oliveira; date and place not given—first three paragraphs are O ESTADO introduction.]

[Text] Brasilia—Central Bank of Brazil (BC) President Francisco Gros is convinced that emergence from the Brazilian crisis is something that will have to be negotiated. Freezes, confiscations, economic shock treatments—he says—no longer have any chance of working. "Nothing the Executive imposes will be successful," he said in an interview with AGENCIA ESTADO reporters Nelson Oliveira, Gecy Belmonte, and Ribamar Oliveira. Under such an understanding, prefixing of prices, wages, and interest rates could be discussed. Meanwhile, the administration is sticking with its high interest rate policy.

Gros thinks that former Minister of Finance Mario Henrique Simonsen had an interesting idea as to how to facilitate this understanding. Simonsen suggested that Congress be sent a bill of complementary law guaranteeing that the government will not inflict any more shock treatments on the economy. "That proposal is worth studying."

The BC president explained that the administration's greatest concern, at this point in time, is to prevent the economy from going completely out of control. For that reason, Gros said, the government is already thinking about allowing indexation in commercial and industrial contracts that are written for periods of less than 12 months.

[O ESTADO] The Government has insisted that inflation is caused basically by expectations. Would you say that those expectations are starting to be reversed?

[Gros] I would not like to oversimplify this issue. The government has never said that inflation has a single cause or that it is easy to combat. What we said is that there is no objective reason for the inflation rate to rise so markedly. The administration is practicing an austere fiscal policy. The Treasury continues to produce surpluses, and monetary policy is also austere. Furthermore, business activity is not expanding. So, we cannot identify any objective factor that would explain why inflation has jumped the way it has, except the issue of expectations. But I would not say that our inflation rate is exclusively the result of expectations—just as it is not exclusively the result of inertia or demand. The expectations component is clearly losing vigor People are beginning to believe the government when it says it will not effect any traumatic interventions in the economy, i.e., that there will be no shock treatment. And so economic decisions have already allowed for that certainty, it is built in.

[O ESTADO] Former Minister Mario Henrique Simonsen has advanced the idea that the government should send a complementary bill of law to the Congress guaranteeing that there will be no freezes, no confiscation of assets—in short, no new shock treatments for the economy. What do you think of that suggestion?

[Gros] I think it is an interesting idea that is worth studying.

[O ESTADO] As a way to combat expectations?

[Gros] Not just for that reason. All of us on the economic team have said that the reason why there will be no shock treatments is not simply because we don't want them. It is the result of a clear awareness of two things: the first is that there is no room for a measure of that type. The atmosphere is not right. The shock treatment, when it was a novelty—for example, under the Cruzado Plan—was effective, enjoyed credibility. Since it has been used and abused, that instrument of economic policy has lost credibility. It would not work today. In the second place, we are thoroughly convinced that any solution to Brazil's problems will have to be reached via negotiations.

[O ESTADO] So you are saying that in order to get the inflation rate to fall, and stay down, we need not only a break in the pattern of expectations, but an "understanding?"

[Gros] I am not using the word "understanding" in the political sense as it is being used in Congress. The understanding I am talking about is a minimal agreement among the economic agents in order to influence the trajectory of the economy. If you break the pattern of expectations, you reduce the impetus for inflation and curb the frenzied rise in prices that we have witnessed in the past two months.

[O ESTADO] How will that understanding come about?

[Gros] In order to reduce inflation significantly, we need an agreement that might—who knows—include prefixing of prices and wages.

[O ESTADO] Would the understanding be a short-term solution, a sort of bridge until measures to bring about a structural reform in the economy are approved by Congress?

[Gros] No. In the short term you use monetary policy, and it hurts; that's why people complain. The prefixing of prices and wages is a medium and long-term measure. You cannot implement prefixing overnight. But an interest rate policy is something you can execute quickly. What we are doing now is controlling outlays by the National Treasury and adopting a tight monetary policy. These short-term instruments are necessary until we actually begin to see the results of other measures: the constitutional amendments, tax reform, negotiations with other countries, the privatization program, the plan to open up the economy and—possibly—some scheme for prefixing interest rates, prices, and wages. But all that depends on the understanding.

[O ESTADO] Prefixing of prices and wages has always been presented as a short-term solution, a transitional measure, since reforms usually take quite a while to produce results.

[Gros] Any attempt to set up a trigger mechanism to straighten things out next week, or even this month, will not solve the problem. Minister Marcilio Marques Moreira, when he visited the Federation of Industries of Sao Paulo State (FIESP) a few days ago, was impressed with how short a horizon the businessmen are working with. We are working on a 20-month program of adjustment, and they asked us what they should do the day after tomorrow.

[O ESTADO] And what can they do?

[Gros] There is not much that can be done about the day after tomorrow. It is impossible to work any magic that will affect the day after tomorrow. The day after tomorrow looks like today.

[O ESTADO] Yes, but there is a risk that the economy will become disorganized and that inflation will skyrocket....

[Gros] To imagine that we can move forward without running risks is unrealistic. Risks exist, but I believe the country is already starting to move in the right direction, and that opens the way for getting people to rally around a minimally negotiated program.

[O ESTADO] But the understanding, the prefixing—both of these have been tried by previous administrations without success. Why do you think they would work now?

[Gros] They did not work in the past because the necessary conditions were not present. Never before has the cost of failing to reach an understanding been made so clear to us.

[O ESTADO] If the crisis gets worse, will this lead people into an understanding?

[Gros] Yes. It could be either a gradual deterioration, or one that sends the economy out of control. People are aware that the Brazilian economy is facing exhaustion.

[O ESTADO] Would being out of control mean hyperinflation?

[Gros] I don't know whether it would be hyperinflation or monetary anarchy. The economy could go out of control in several ways: you could have a foreign exchange crisis, an inflationary crisis, a credit crisis—you could have several kinds of crises. A credit crisis, for example, could lead to company bankruptcies and unemployment. We would not necessarily experience the classic model of hyperinflation.

[O ESTADO] Do you think that this risk of hyperinflation exists?

[Gros] I do not think we are close to hyperinflation. But certainly if we are not able to quickly reverse the deterioration of the economic situation—and even the moral situation—in this country, we will end up there one fine day.

[O ESTADO] Two weeks ago, when the dollar broke the 1,000 cruzeiro barrier, weren't we on the brink of a crisis that could have initiated a hyperinflation?

[Gros] No. We witnessed a phenomenon that I have termed "psychosocial," a profound nervousness on the part of the economic agents. But the following week, the administration showed that it had the situation under control.

[O ESTADO] Yes, you gambled and won.

[Gros] I don't like that word, because I'm not a gambler. We all came out ahead, because it became clear that we had a crisis but that it did not mean the end of the world. What I have been saying is that the problems are not that serious, if we can get organized. We have some favorable indicators: Brazil's external debt, in relation to its GDP, is the lowest in Latin America, i.e., about 30 percent of our GDP. In Mexico, that ratio exceeds 50 percent. Our industrial structure is the biggest, most modern, and most competitive in Latin America. The Brazilian economy is three times as big as the Argentine economy. Brazil's potential, in terms of a resumption of growth, is absolutely extraordinary. Especially because our assets (our shares of stock, for example) are very low-priced. For all those reasons we are seeing a great interest in Brazil on the part of foreign investors.

[O ESTADO] But the country is still facing the serious challenge of the public deficit.

[Gros] See here, the federal government's indebtedness is nothing unusual if you compare to what it was during the 1980's and with what other countries are carrying today. At present, we are administering a deficit equivalent to 2.5 percent of GDP. When you talk about a deficit, you must also note that the awareness of Brazilian leaders as to the need for an adjustment is much greater than it was in the past. Furthermore, the outflow of funds to other countries is much less than it was a few years ago. In 1987, during the time of the moratorium, we were remitting something like 4.5 to 5 percent of GDP to other countries, and there were no prospects of investment in this country. Today, before any agreement is in sight, we are remitting 1.8 percent of the GDP, and the likelihood that money will be entering the country is extraordinarily good. Former Minister Dilson Funaro was branded as "crazy" because he wanted to set a goal of remittances equivalent to 2.5 percent. Today we are well below that.

[O ESTADO] Well then, what needs to be done if we are to overcome the crisis?

[Gros] We just need to agree on a program of adjustments, of fiscal austerity, and to establish priorities. And we have to stop spending more than we are collecting.

[O ESTADO] Some economists say it is the states and municipalities that have fiscal problems now. What do you think about that?

[Gros] It's not just that, no. There is still a fiscal problem that the federal government is responsible for—not because of its expenditures, which are very low, but because of its investment. The federal government deficit is the same as the rate of investment in the construction of hydroelectric projects, highway maintenance, telephone installation, and the expansion plans undertaken by the Vale do Rio Doce Company and Petrobras. So if it wants to reduce the deficit, the government should not invest anything at all. But we have to invest.

[O ESTADO] So, what is the answer?

[Gros] The solution rests on four pillars. The first is the constitutional amendment bill, and the second is the tax reform bill. Both have been sent to Congress. The third is our negotiations with other countries, which are going very well, so that at the end of that process we will be able to show the foreign investor that he really can invest in this country. And, finally, the fourth pillar is the privatization program, which is of utmost importance because it no longer involves ideological questions, but managerial ones. It is vital that money be invested in Usiminas [Minas Gerais Iron and Steel Mills, Inc.], but the government does not have that kind of money. So, to keep the company from becoming obsolete, it will have to be privatized.

[O ESTADO] Returning to the explosion of the dollar and of gold that occurred at the end of October, you are being criticized for announcing that the Central Bank would withdraw from the gold market. Many people thought that by making that announcement, the BC set off a panic situation. Couldn't the Bank have removed itself without saying anything?

[Gros] We handled the withdrawal from the market that way for two reasons. The first is an ethical reason since, as the principal player in the market, the BC could not

leave without being noticed. Some people would soon notice the absence of the BC. Others would not realize it until later. This means that the news of our withdrawal would become privileged information, and the market might still be waiting for the BC to start buying and selling gold again. The decision was made on a Sunday night and the entire market was informed of it, all at once via our computer system, at 900 the next morning.

[O ESTADO] What lesson have you learned from that?

[Gros] I don't think people are used to transparency. So they think it is odd, they are surprised. I think it is a good thing for people to start getting used to transparency. At any rate, ethics are not the only consideration. There is also an important operational issue. When we set a clear rule for the game, we created a certain amount of commotion that was restricted to that market. At no time did that commotion extend to the commercial exchange market, which is the one that really interests us. This market was not polluted and it continued to function normally.

[O ESTADO] Now that the crisis has been surmounted, how does the flow of foreign exchange into Brazil look for November?

[Gros] There has been a good recovery. We are not taking the elevator up—we are just climbing the stairs, and every day we move up one step.

[O ESTADO] For how long does the administration plan to keep interest rates high?

[Gros] The Central Bank has taken two positions: first, the primary goal of its monetary policy—and sometimes people forget this—is control of liquidity. We do not want to have excessive liquidity in the economy. In order for you to control liquidity you have to have a positive interest rate. It never entered our heads to use the interest rate as the only instrument of economic policy. We plan to maintain a positive interest rate, but not too positive.

[O ESTADO] You have talked about the need to index the economy, because of the high inflation rate. How would that work?

[Gros] Indexation is a plea for the government to adopt an official inflation index. And we do not want to do that.

[O ESTADO] So the government is not thinking about using an index factor for the economy?

[Gros] No. The government will not use an official index, nor is it going to accede to the demand that it adopt a daily index. The law in force today prohibits the use of an inflation index to adjust [the values in] contracts written for less than 12 months. It is also illegal for you to sell your products, at retail or in industry, and tie the price to any kind of index. What the administration is considering is the possibility of sending Congress a bill that could reduce the 12-month minimum period.

[O ESTADO] Has the new period already been determined?

[Gros] No, we are discussing whether it should be two, three, or six months, or something else. We are not going to decide on an index, just tinker with the length of the transactions. This means that manufacturers might be able to sell to wholesalers and retailers on the basis of [payment within] 60 days, for example, using some price index as the adjustment factor. With the inflation rate as high as it is, the problem that most concerns us—more than the financial market—is the transactions between merchants and manufacturers, although it is clear that the financial market must also be considered in any changes. The 12-month interval was designed for a country that had a low inflation rate, and we cannot run the risk of producing disarray in the economy because people do not know how to sell their goods, given the high inflation rate.

[O ESTADO] Some newspapers have been talking about differences of opinion among members of the economic team and have even reported that you fought with Minister Marcilio on the issue of indexation. Is that true?

[Gros] No. It is not true. To start with, you don't fight with Minister Marcilio.

* Option Brazil Movement Formed in Sao Paulo

92SM0133B Rio de Janeiro O GLOBO in Portuguese 12 Nov 91 p 3

[Text] Sao Paulo—Yesterday in this capital, politicians, labor leaders, businessmen, and intellectuals launched the Option Brazil Movement (MOB), an organization intended to unite the civilian society around such topics as the battle against poverty and corruption, the moral reform of politics, and solutions to the country's serious financial crisis. In a first phase, all segments of the society will be invited to participate except one: the federal government. In launching the MOB yesterday evening, the architects of the organization announced that they already have the support of 42 organizations, including the OAB [Organization of Brazilian Attorneys], the PNBE (National Opinion of Business Bases), the Sinduscon (Civil Construction Union), the CUT [United Federation of Workers], the CGT [General Federation of Workers], and the FS (Union Power).

Emerson Kapaz, president of the PNBE, explained that the exclusion of the government from the movement was a strategic necessity. According to Kapaz, no movement in which the government has been involved from the beginning has been successful. The intent of the MOB is to "mobilize the society to formulate common proposals that, in a second phase, will be presented to the government as representing the consensus of the society."

Tomorrow Kapaz will go to Brasilia to communicate the launching of the MOB to the presidents of the Senate and Chamber, the chief justice of the Federal Supreme

Court, and the attorney general of the republic. Economist Joao Sayad, former minister of planning, reported that the creation of the MOB began to be discussed about 90 days ago, when "a climate of hopelessness" was observed to exist in the country.

* Loss of Competitive Edge in Exports Discussed

92SM0133C Sao Paulo GAZETA MERCANTIL in Portuguese 8 Nov 91 p 3

[Article by Nora Gonzalez]

[Text] Sao Paulo—Brazilian exports of various products should show a 3- to 4-percent decline this year compared to last year, partly as a result of the deceleration of the North American economy, which absorbs 18 percent of total exports, but primarily because Brazilian industries have lost their competitive edge. If the prediction is borne out, it would mean $32 billion in revenues from sales on the international market.

Brazilian products have been losing ground to the competition in several areas. In the shoe sector, Brazilian merchandise is leaving the shelves of North American stores, replaced by Chinese shoes at $12 a pair. The automotive industry is giving way to Korean and Japanese makes, because of a price difference approaching 100 percent, and automotive parts are losing out to merchandise "made in Mexico." The exception is Brazilian orange juice, because its flavor is preferred over the juice produced in other countries. Even here, the alternative arrived at is to mix juice from two countries as a way of reducing the cost without substantially changing the flavor.

Among the reasons noted by the exporters to explain the rise in the prices of products is the lack of financing for capital goods that could lower production costs, in a country where the industrial park is far from modern. According to Marcus Vinicius Pratini de Moraes, president of the AEB (Association of Brazilian Exporters), the fault also lies with the excessive taxation on exports, which doubles the price of the products. "We are going to propose that the government eliminate the exorbitant PIS [Social Integration Program] and the Finsocial (Social Investment Fund]."

Representatives of the association refuted the statements of Rubens Ricupero, the Brazilian ambassador in Washington, according to whom the exporters are "not doing their homework." According to the ambassador, the exporters are not taking advantage of the General Preference Program (SGP) in the United States. "The decline in the utilization of the SGP is owed to the decline in Brazil's exports overall," Pratini said. According to an AEB consultant, last year at least six products (chemical substances, produced by Nitroclos) were included and there are other orders among the items that are eligible for benefits this year, contrary to what the ambassador said.

Dow Chemical is one of the firms that uses the SGP and this year it should earn about 10 percent less from international sales, putting the company's export revenues somewhere between $85 million and $90 million this year, as against $100 million in 1990. According to Claudio Camera, manager of foreign trade for the Dow enterprises, the primary reason for this is the decline in international prices for petrochemical products. "Proof of this is that we have a 5-percent decline in the volume exported and a 10-percent decline in receipts," he explained.

Blindex, which exports laminated and tempered safety glass, saw its exports to the United States shrink from $2 million in 1990 to $1.5 million this year, while other markets remained stable and fulfilled the $5 million in exchange receipts predicted for this year. "Orders began to drop off at the end of last year," said Luiz Galvao, the company's sales director.

On the other hand, Staroup increased its exports of "jeans" to the United States. This is the only sector of the clothing industry that is not experiencing a sharp drop in demand. "We have been investing in exportation for 30 years," assured Andre Ranschburg, president of Staroup, which earns $12 million from its exports.

Meeting

Next week the Brazilian exporters should send a document to Economic Minister Marcilio Marques Moreira, listing a series of demands from the sector, aimed to reactivate foreign sales of Brazilian products.

Among the measures that will be proposed is the creation of a single exchange rate, possibly to be implemented by the end of next year, when there will be enough stability for a proposal of this kind. At the same time, the exporters are waiting for the market to settle down and are trusting the government's word that there will not be a new maxi- or medium devaluation of the currency. "Francisco Gros, president of the Central Bank, has just phoned to assure me that there will be no abrupt alterations in the exchange," Pratini said yesterday at the meeting to launch the National Foreign Trade Conference (Enaex), to be held in the Convention Hall of the Parque Anhambi on 11 and 12 November.

According to Laerte Setubal Filho, foreign trade consultant and former advisor to Sodesp (Sao Paulo Docks Company), there is no need for another revision of the exchange rate, but there is a need to recover the foreign market by reducing prices. According to a study in the sector, it costs $500 to load a container on a ship in the port of Santos (Sao Paulo), whereas in Antwerp (Belgium) it costs only $100.

Another demand by the sector has to do with the concession of financing for exportation, because the resources of the Export Program (Proex) are inadequate. "There are $750 million in exports awaiting financing to be exported," declared Jose Ulysses Viana Coutinho, director of Cotia Trading. The proposals to be sent to the

government include financing for the export of goods for which the consumer needs financing.

Armed Forces Said Experiencing Raison D'etre

PY1312125291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Dec 91 Political Section p 4

[Report by Guilherme Evelin]

[Text] Brasilia—The Brazilian Armed Forces are experiencing a crisis. The collapse of communism; the political, cultural, and economic rapprochement with Argentina, the most traditional rival of Brazil in the continent; the absence of real foreign enemies; and the high technology employed in the Persian Gulf crisis, which threatens to make the technologically little- advanced arsenal useless, are leaving Brazilian military officers in a state of soul searching.

This controversy has been brought up by former U.S. Secretary of State and former World Bank President Robert McNamara. In May, in an article published in several Brazilian newspapers, McNamara proposed the idea that military expenditures and the purchase of weapons by poor countries be controlled by the United Nations.

The proposal has gained unsuspected followers in Brazil. "Even though the country does not spend very much on the Armed Forces, the military budget represents a significant and useless burden because today we suffer a lack of enemies," Deputy Roberto Campos (Social Democratic Party—Rio de Janeiro), and former planning minister during the government of Marshal Castello Branco (1964-1967), stated with some irony. "The money employed in the construction of the nuclear submarine could be better used, for example, in research to see who is threatening us."

Roberto Campos' criticisms are based on facts that support arguments that Brazil may be spending very little proportionately, but badly, on the Armed Forces. A report published in 1987 by the respected magazine MILITARY BALANCE [two preceding words in English] show that Brazil, with 0.3 percent of the gross domestic product (GDP) being used for military expenditures, is behind practically all Latin American countries. Compared to 1991, the budgets for next year assigned to the Ministries of the Navy, Army, and Air Force will be reduced and will be lower than those of the social areas.

That money, however, is being used to maintain an archaic and top-heavy structure. Although it fought its last war 46 years ago, the Brazilian Army, proportionately, has more generals than the U.S. Army: there are a total of 164 generals, 141 of whom are on active duty. One of them, General Evandro Sombra, of the Brazilian Patrimonial Board, for instance, is responsible for the administration of 4,482 houses the Army maintains in the federal capital.

"The Army has grown too big and bureaucratic. Troops are discouraged and do not see any possibility of ever being promoted," Reserve Captain and Deputy Jair Bolsonaro (Christian Democratic Party—Rio de Janeiro), said. General officers have their perquisites canceled out by higher government officials. Although only ministers have official vehicles, top military officers also have the right to an official vehicle. They also have the right to two stewards, military subordinates, to work in home services.

"These are perquisites covered by law and they compensate somewhat for the sacrifices made by a lenghty military career," General Nialdo Neves said in justification. Neves is chief of the Army Social Communications Center and spokesman for Army Minister Carlos Tinoco Ribeiro Gomes. "They are privileges that still prevail," replied Deputy Jose Dirceu (Workers Party—PT—Sao Paulo), responsible for the military area in the PT's parallel government. "The time has come to make administrative reform within the Armed Forces as well," Dirceu said.

The change proposed by the PT includes a reduction of Army troops from 196,147 men—larger than that of Israel, a country with a permanent threat of war, to professionalize its cadres, and to modernize its equipment. "We have to reduce the troops to adapt them to the reality of the federal budget," Bolsonaro said. "Today much is spent on personnel and there is no money to purchase ammunition," the PDC deputy added.

The deployment of troops throughout Brazil is another challenge to be faced by the Army. Although the military chiefs are pointing out a supposed attempt to internationalize the Amazon region as the greatest threat to national defense, most of the military contingents are headquartered in state capitals, namely in Rio de Janeiro. "That can only have one explanation," said Deputy Paulo Ramos (Democratic Workers Party—Rio de Janeiro), a Rio de Janeiro Military Police officer. "It is because the Armed Forces are more concerned about maintaining internal order than protecting the country against a foreign threat."

* BNDES Head Seeks To Expand Privatization

92SM0133D Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 20 Nov 91 p 3

[Text] Brasilia—Eduardo Modiano, president of the National Bank for Economic and Social Development (BNDES), will propose to President Fernando Collor that Cosipa [Sao Paulo Iron and Steel Company], Embraer [Brazilian Aeronautics Company], Infraero [Brazilian Airport Support Enterprise], Acominas [Minas Gerais Steel Company], and companies in the port and electric power sectors be included in the National Privatization Program. Modiano made the announcement yesterday moments before he appeared before the Senate Committee for Economic Affairs. In his deposition, Modiano announced that Cosinor

[Northeast Steel Company], sold at auction to the Gerdau Group last week, represented a loss to the government of $86 million; the original price was $100 million and the company was privatized for only $14 million.

"The conditions were not there to sell it for a higher price and we had to accept a loss of $86 million," he said. "If Cosinor had not been privatized now, in two years the loss would have amounted to $150 million." Modiano admitted that there were concerns about the possibility that, with the acquisition of Cosinor, the Gerdau Group would constitute a monopoly, but he ruled out that possibility. "The Gerdau Group controls the production of about 10 percent of the non-rolled steel in the Northeast, but there are other competitors in the country, such as Siderurgica Mendes Junior and Paine," he said.

Modiano promised that once the court rules favorably on the use of foreign debt titles in the privatization auctions, he will hold criminally responsible any individual or organization that, in bad faith, upsets the process of privatization of Usiminas [Minas Gerais Iron and Steel Mills, Inc.]. "It is difficult to quantify what the discount would be in the privatization of Usiminas in a climate without wrangles of a juridical nature," he observed. "But the legal issue has driven away foreign capital," he declared.

Senator Mauricio Correa (PDT [Democratic Workers' Party]-Federal District), one of those who contested the privatization in the court, was surprised at the BNDES president's statement; Correa argued that recourse to the judicial power is part of the democratic process.

According to Senator Eduardo Suplicy (PT [Workers Party]-Sao Paulo), it is "very clear" that the federal government is promoting, "in a coordinated way," the inclusion of the pension funds of the state companies in the National Privatization Program. "The government must explain how this is being coordinated," Suplicy declared. In Modiano's opinion, "it is necessary to cut the umbilical cord that ties these complementary welfare funds to the government."

* Preliminary Data Show Population Growth Down

92SM0133A Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Nov 91 p 1-4

[Text] The preliminary data from the 1991 population census indicate a decline in the growth rate of the Brazilian population. The initial projection of the Brazilian Institute of Geography and Statistics [IBGE] was for a population of about 153.1 million. The numbers to date point to 150 million people.

This figure represents an average growth rate of 2 percent per year since 1980, when the Brazilian population stood at 119 million, according to the census taken that year. Between 1970 and 1980, the average growth rate was 2.48 percent per year, so we are seeing a drop of almost 0.5 percent in the population growth rate.

According to Jose Guilherme de Almeida Reis, general coordinator of the census, in recent years the National Sample Survey of Households was already signalling a decline in the growth rate. In the early 1980's, however, the IBGE was still working with a projection of 2.4 percent, which is not being confirmed now.

Reis told FOLHA that the statistics collected to date indicate a smaller population than predicted in every state. What was not expected—and surprised the IBGE—was the decline in the rural population.

To date, 27 million questionnaires have been completed, or 80 percent of the total. The census is already completed in Paraiba and next week the collection of data will be concluded in Rio Grande do Norte, Santa Catarina, Rio Grande do Sul, the Federal District, and Ceara. The IBGE hopes to complete the census by the end of the month.

Jose Guilherme Reis said that the census confirmed the migration out of rural areas in more than 500 municipios. According to Reis, in small municipios the actual population is 20 percent below the estimated figures.

According to the IBGE director, the decline in the rural population could have two explanations: the intensification of the rural exodus; or simply the fact that the population of the country is smaller than forecast. In his opinion, the two phenomena could be interconnected. It was observed that a large number of rural properties had been abandoned.

In December, the IBGE will announce the total Brazilian population, by state and municipio and by sex. More detailed statistics will not be available before the middle of 1992.

The director general of the institute said that the work had gone more slowly in Sao Paulo, Rio de Janeiro, and the Amazon Region than in other regions. In Rio and Sao Paulo, the enumerators have encountered problems in the high-income districts, such as Ipanema and Leblon (in Rio) and Jardim and Morumbi (Sao Paulo).

The IBGE also found that both in the high-income brackets and among the poorer classes the people were not accurately reporting their real gross income—the former because they fear an audit by the Federal Revenue and the latter because they were ashamed to reveal their income to the census taker, the director said. He noted that even if the data are slightly distorted, it would not invalidate the statistics on income distribution in the country.

* Soviets Seek Broadened Trade Relations

92SM0133F Sao Paulo GAZETA MERCANTIL in Portuguese 19 Nov 91 p 3

[Article by Livia Ferrari]

[Text] Rio—Nikoliy Drosdov, acting chief of the Soviet Department for Economic Relations with Latin American Countries, announced yesterday that his country would like to broaden its commercial relations with Brazil, although he admitted that, in the present phase of transition to a market economy, the Soviet Union is having difficulty paying hard currency for its imports.

Speaking at a seminar in the ACRJ (Rio de Janeiro Commercial Association), Drosdov said: "We are experiencing a huge need to acquire food products and the foreign currency at the disposal of the country will be used primarily for foreign purchases of foodstuffs, medicines, and equipment that will enable us to increase domestic production in our agroindustry." He noted that his country is promoting a reduction of its import aliquots.

According to Drosdov, the USSR is seeking lines of credit in the international market to pay off its debts to its trading partners, including Brazil. In this regard, he reported that last month his country had paid off a part of the outstanding bills for purchases of Brazilian instant coffee.

Drosdov noted that before his country opened up its economy, only the state companies could conduct foreign trade. Now this activity is also being conducted by private companies and companies with mixed capital. However, because of the problems inherent to the political and economic transition in the USSR, the country's world trade, which traditionally came to as much as $160 billion per year, has declined considerably in the last few years, partly as a result of the decline in domestic production.

Although they recognize the commercial potential of a country like the USSR, with some 300 million inhabitants, the 50 or so Brazilian businessmen who took part in the ACRJ seminar expressed a reluctance to do business. Claudio Martins, executive secretary of the Brazilian Association of Poultry Exporters (ABEF), noted that Brazil had not renewed its sales contracts with that market this year because of the delays in payment.

* Israel Seeks Space Cooperation Through Inpe

92SM0133G Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Nov 91 p 6-5

[Text] Israel is broadening its cooperation in the sector of space research. Technion, the Technological Institute of Israel, where the know-how in the field is concentrated, is seeking to collaborate with Brazil, through the National Institute for Space Research (Inpe), and with the former Soviet Union.

Technion is seeking cooperation that may be of mutual benefit, according to Zehev Tadmor, 54, president of the institute, who was in Sao Paulo last week. Technion would like to make use of Inpe's experience with research balloons to test its instruments.

Israel plans to launch a scientific satellite, probably in 1994, to study the sources of X-rays in space. The astronomical satellite will not be the first. Surprising the international specialists, Israel has already put a satellite in orbit using a rocket of its own manufacture.

Manufacturing rockets and satellites is routine for the Soviets, but they do not always have modern equipment. Hence Technion has signed an agreement to develop the on-board computer for a space probe which the Soviets plan to send to Mars, as part of a program of exploration which will include the landing of men on the planet.

Researchers and students who have emigrated from the former USSR have caused a 20-percent growth of Technion in the last two years. Today the institute has 700 professors, 10,200 students, and 1,500 employees, Tadmor said. Its annual budget is about $150 million.

The growth has not only been numerical. New lines of research have been transplanted to the institute, which is located in Haifa, the third largest city in the country. One of these new technologies is the manufacture of special glass.

Founded in 1924, Technion is the oldest research center in Israel. It is responsible for the training of 75 percent of Israel's engineers. The institute also offers courses in medicine and architecture, but none in the humanities.

Tadmor was here to meet with Brazilian companies and universities to discuss broader exchange, which is still limited in comparison with other countries. There are a few more than 100 Latin American students at Technion. The institute has experience with a wide range of technologies in electronics, agriculture, bioengineering, computer science, and structural and aeronautical engineering, for example.

Tadmore is a specialist in polymers, large molecules formed by the union of smaller ones (for example, proteins are natural polymers; nylon is a synthetic polymer). His specialty is the development of methods for the industrial processing of polymers.

Tadmor himself is an example of Israeli pragmatism in applying know-how to production. His military service consisted basically in using his knowledge to produce solid fuels for rockets for the armed forces.

* CPI Report on Murder of Minors Released

92SM0134A Sao Paulo ISTOE SENHOR in Portuguese 13 Nov 91 pp 48-50

[Article by Aydano Andre Motta and Maria Ines Camargo with contribution from Jose Rezende Jr. of Brasilia: "In the Line of Fire"—first paragraph is ISTOE SENHOR introduction]

[Text] The conclusions reached by the CPI [Legislative Investigating Committee] that is investigating the murder of minors in the state of Rio de Janeiro assign a leading role to Joao Pedro Bueno, "Pedro Capeta."

According to the committee's final report, he used false identity booklets—identifying him as a "commissioner for minors"—that were issued by judges in the municipality of Duque de Caxias in the Baixada Fluminense region despite the fact that he was part of "a death squad that was very active" in that city. In his own defense, he says that all he kills is "the hunger of the very poor." The Sao Paulo State Secretariat for the Welfare of Minors has recorded 853 murders of children in that state during last year alone.

The first official version of the history of the murder of children and adolescents in Brazil has just been published. The final report of the CPI that has been meeting in the Rio de Janeiro State Legislative Assembly to investigate the murders of persons under 18 years of age in that state was published on Friday 1 November. The Rio municipal police recorded 427 such deaths during last year alone. The CPI investigation revealed what is hidden behind the frightful machinery of the killing: the connection between judges and police, on the one hand, and the murderers—in a context of absolute impunity.

The results of the CPI of the Rio Legislative Assembly are supported by the initial data disclosed by the Congressional Investigating Committee of the Chamber of Deputies in Brasilia, which point in the same direction. According to Federal Deputy Fatima Lucia Pelaes (PFL [Liberal Front Party-Espirito Santo]), the legislative reporter of the Congressional Investigating Committee, the list of suspects in the murder of children in Sao Paulo includes the names of some public officials. The members of Congress who are investigating these cases have always considered the possibility that those who are duty bound to protect minors could themselves be involved. The difference now is that this involvement has been made explicit by the publication of the names of a number of individuals suspected of carrying out—or sponsoring—the murders.

The report of the CPI of the Rio de Janeiro State Legislative Assembly accuses three judges of the municipality of Rio de Janeiro: Luiz Cesar Bittencourt Silva, Renato Simoni, and Rubens Medeiros. It links them to the retired electrician Joao Pedro Bueno, "Pedro Capeta," 60, who is identified as one of the principal murderers in the entire Baixada Fluminense, one of the most violent regions in the nation. The product of five months of work, the report enumerates—throughout its 101 pages—a variety of murder cases awaiting investigation and names the miscreants.

According to the report, the three judges and Bueno "are part of a death squad that is very active in Duque de Caxias"—one of the five municipalities of the Baixada Fluminense—where he has lived for 36 years. He denies the CPI's accusations. "The only thing I kill is the hunger of the very poor," he said on Wednesday when he was contacted by ISTOE SENHOR.

Bueno was the PTB [Brazilian Labor Party] candidate for municipal councilman in 1988. He lost, but did not give up. "These stories that I am a murderer were invented by people who are afraid of my candidacy," Bueno insists. He was held in prison from last April to June on the charge that he killed three underage males in downtown Duque de Caxias but was acquitted in August for lack of proof. "They have nothing against me, and yet they continue to accuse me," he says indignantly. Bueno currently plans to run as the candidate of the PRN [National Reconstruction Party] of Senator Hideckel de Freitas, one of the political bosses of Duque de Caxias.

Joao Pedro Bueno is the flesh-and-blood incarnation of a "protector" of a community. He won the affection of the residents of Duque de Caxias by obtaining favors for the poorest among them from the municipal authorities—including jobs for neighbors and acquaintances—through his friendships with the operators of bus companies. "They like me," he says proudly. He received the nickname of "Pedro Capeta [euphemism for "devil"]" when he escaped from an ambush decades ago. "They said I had dealings with the devil," he explains.

The CPI report concluded that one of the principal cogs in the machinery of the murder of minors is the ad hoc (valid only for a single case) identity booklets—identifying the holder as an "officer of the court"—that were distributed by the three judges implicated in the case. According to the CPI's conclusions, Judges Luiz Cesar Bittencourt Silva, Renato Simoni, and Rubens Medeiros—who served in succession in the Fourth District criminal court in Caxias—gave these identity booklets to hired killers.

"The collusion is obvious," insists Deputy Paulo Melo (PSDB [Brazilian Social Democracy Party]), chairman of the CPI, who succeeded in getting only one of the three judges—Bittencourt Silva—to testify despite having summoned all three to do so. Judge Bittencourt Silva admitted he had supplied Bueno with the ad hoc identity booklet identifying the latter as an officer of the court. "I take responsibility for all the consequences," he told the CPI. When ISTOE SENHOR contacted Bittencourt Silva by telephone, the judge—who is currently assigned to the circuit court—said only: "It is such a ridiculous affair that I shall have nothing to say."

ISTOE SENHOR also attempted to contact Judge Rubens Medeiros, who is presiding in the Fourth District civil court in Niteroi. The judge refused to receive our reporter, however, and through an aide said he did not want "to talk about the matter." It was Medeiros who transformed Bueno into an officer of the court. Now, after having refused to testify before the CPI, he has told friends and aides that he is "fed up with the press" because his name has been linked to the murder of children and adolescents. "I am depicted in this story as a rogue," he complains.

Medeiros's name appears several times in the report. "It was discovered that some judges issue an identity booklet entitled 'de facto officer of the court,' such as the one supplied by Dr. Rubens Medeiros to Mr. Antonio Faustino da

Costa," the report states on Page 70. Renato Simoni, the other judge cited in the report, is away on vacation. He also refused to testify before the CPI, thereby leaving unexplained the issuance of ad hoc identity booklets in the Fourth District criminal court in Caxias in December 1981. "The judge authorized surety bonds for persons accused of violations of the law, and also authorized the very individuals so accused in Duque de Caxias to carry firearms," the report states on Page 89.

"In addition to the question of murder, there is the problem of impunity that it raises," the CPI legislative reporter, Deputy Paulo Melo, insists. "These crimes are occurring only because everyone knows that there will be no investigation," he says indignantly, declaring that the climate of impunity is also responsible for the inability of the CPI itself to be more detailed and forceful. "Many persons refused to testify for fear of reprisals," he says. "No one any longer believes that these bandits will go to prison." Melo is not hopeful about the future. "Things are going to get worse," he predicts, "because the number of abandoned children will steadily increase."

Deputy Melo has other reasons for his pessimism. Ever since the CPI was established he has endured an average of three threats per day. Last 10 July he was driving from Rio to Saquarema, a town in the Lagos region, his electoral stronghold. As he approached the Mato Grosso ridge a car containing four men began to follow him. Because he was driving alone, the deputy stopped at the Railway Police station at the summit of the ridge. "The four men turned tail and fled at high speed," he recalls.

Two days later Melo was scheduled to visit the Baixada Fluminense region, where he was to take testimony for the CPI. As it happened he did not go, but by coincidence one of his colleagues, Jose Tavora (PFL [Liberal Front Party]), went to the Baixada in an official automobile. The car was cut off by an Opala, from which two men got out with guns drawn. As they drew near they realized their mistake. "That's not the deputy, so let's go," one of them is said to have ordered. "I am absolutely certain that my life is in danger," Melo says.

Just as the Rio CPI, the Congressional Investigating Committee in Brasilia—which is dealing with the matter at the national level—has also named names. Although they are only preliminary, its initial results have had repercussions in the state of Sao Paulo, where—according to data from the Sao Paulo State Secretariat of the Welfare of Minors—835 children and adolescents were murdered last year alone. With Federal Deputy Rita Camata serving as chairperson, the Congressional Investigating Committee in October heard various accounts of violence committed against children in that state. With the presentation—on Thursday 7 October—of the report prepared by the committee's legislative reporter, Deputy Fatima Lucia Pelaes, suspicions began to point in at least two directions: toward the involvement of a children's court judge in the capital city with international gangs engaged in the trafficking of infants, and toward the activities of a former policeman of Sao Bernardo do Campo—one of the three municipalities of the ABC [Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul] industrial region of Sao Paulo State—as an "executioner" who is responsible for a number of deaths, including the deaths of minors.

The explosive content of the accusations published in Brasilia by the legislative reporter of the Congressional Investigating Committee was not, however, followed up by the official investigations necessary to substantiate the accusations. By limiting itself to taking the testimony of the accusers, the committee left the investigation of illegal acts for a later date. "If the accusations are substantiated," Deputy Fatima Pelaes says, "we shall take the appropriate legal measures." The case of the Sao Paulo connection with the international traffic in Brazilian children was brought to the attention of the members of Congress by Father Julio Lancelotti of the Children's Pastorate, who was accompanied by three mothers whose children were allegedly sent to European countries without the required consent. The involvement of the former policeman and reputed "executioner" was taken from an account contained in the book *The Children's War [A Guerra dos Meninos]*, by the journalist Gilberto Dimenstein.

Father Lancelotti in his testimony assured the Congressional Investigating Committee that the traffic in infants to foreign countries is increasingly of an organized character. He directly accused Auxiliary Judge Antonio Augusto Guimaraes de Souza of the Children's and Juvenile Court in the suburb of Lapa of permitting—under the facade of "international adoption"—the illegal departure of Brazilian children to live with foreign couples. "It is a display of ignorance to confuse international adoption with trafficking in children," the judge says in his own defense. In the past six years he has ruled favorably on requests for approximately 300 Brazilian children to be adopted by American, Italian, French, and German couples.

"If they were to remain in Brazil," Souza says, "these children would face the prospect of an unhappy future and might become thieves or prostitutes." He is an active advocate of adoption, whether national or international. "An abandoned child needs a substitute home, even it it is outside the borders of our country," he explains. According to Deputy Fatima Pelaes, the methods of the judge—"who," she says, "does not hesitate to authorize an international adoption"—raise doubts of an ethical nature that should be taken before the Council of the Magistracy. In his chambers Souza has a file of letters from children who have been adopted by foreign parents, and insists that all of them are living under excellent conditions. He cites the case of a little girl who in December 1989, at seven years of age, was taken to Juvenile Court by a neighbor woman. She had been abandoned by her mother in the favela [slum] where she lived, and the judge sent her to Washington, in the United States, to live with an adoptive family. "Today she has many friends there and ranks fifth in her school," he says.

Another accusation heard by the committee involves Clidenor Anselmo Brilhante, 38, a former policeman who in Sao Bernardo do Campo is known as "Esquerdinha." He is identified as a suspect in the death—in 1987—of seven children who had sought refuge at the Rua dos Vianas Communitarian House, an association with ties to the Catholic Church. "This accusation was made by a bunch of clowns," Brilhante says, "because the perpetrators of the crime are already in prison." Esquerdinha—who is the former proprietor of a private security firm—insists that he currently commands a team of 15 men who carry out a night patrol in the Jardim Silvina and Sao Jose districts of Sao Bernardo do Campo. He identifies the watchmen Joaquim Miguel do Nascimento and Jose Wilson Goncalves, and also Wilson Jose Kauich and Dionedes Lopes de Aquino, as the individuals responsible for the 1987 killing—all of whom are in prison for the crimes.

"As soon as someone finds a dead body around here," Esquerdinha complains, "they begin to say that Esquerdinha did it." He says he is the victim of persecution by PT [Workers Party] deputies and members of the religious community who are linked to human rights groups. He denies any connection with the murder of minors, but advocates taking justice into one's own hands. "A rapist, or someone who cold-bloodedly commits an armed robbery, should go straight to the graveyard of criminals. Such a bandit cannot have the same human rights as the head of a family who works for a living." According to Esquerdinha, the practitioners of "street justice" take this course because "they are tired of waiting for the courts to act, and so they take the law into their own hands." He was invited to take part as an actor in the film *The Strong Arm of the Law [O braco forte da lei]*, in which he plays the role of a policeman who hunts down bandits in the suburbs of the city of Sao Paulo, and insists that he hates being taken for a gunman. "They are drifters who will kill a defenseless old woman for a mere 25,000 cruzeiros. I only make investigations, and when I find a bandit I turn him over to the police," he says in conclusion. That is not, however, what we are given to understand by the poster advertising the film, in which Brilhante appears with a gun in his hand and his foot on a wounded man. Today, of course, these actors must pose in posters in the most convincing fashion, be they Sylvester Stallone in *Rambo* or Arnold Schwarzenegger in *Terminator of the Future*, or amateurs from Sao Bernardo do Campo such as Brilhante. In Brilhante's case, however, there is an aggravating circumstance: the fact that Brilhante advocates taking the law into one's own hands in real life as well.

* Minerals Production Accord Signed With PRC

92SM0133H Sao Paulo GAZETA MERCANTIL in Portuguese 20 Nov 91 p 16

[Article by Sergio Danilo]

[Text] Rio—The Center for Mineral Technology (Cetem) and the mineral and scientific authorities of the People's Republic of China recently signed a protocol in Beijing for future collaboration on the production of rare earth minerals, oxides, and metals, Professor Roberto Vilas Boas has informed this newspaper.

The Cetem director, who returned yesterday from a scientific mission to China, said the protocol calls for the transfer of Chinese technology for the development, in Brazil, of catalytic converters for motor vehicles, which play an important part in environmental protection.

The technique used by the Chinese Government consists in installing a ceramic form, impregnated with a mixture of oxides, in the mufflers of the country's automobiles. According to Vilas Boas, tests of the converter in Chinese and imported (Japanese) automobiles indicate that this method of conversion is less expensive than platinum or palladium converters.

According to the new protocol, Cetem, which is a party to the Brazilian Council on Rare Earths, will be responsible for researching the isolation of the oxides and for tests of the ceramic matrix and of new materials.

Vilas Boas also reported that the technical cooperation agreement with the Chinese mineral authorities also includes the Tsinjhua University (Technical University of Beijing), which will exchange information in the area of rare earths.

In 1992, Cetem plans to bring in two Chinese specialists who will be involved in research and development of the uses of rare earth minerals in Brazil.

A sharp demand for rare earth minerals has been emerging throughout the Western World, the Cetem director reported, because it is new material with many uses in industry.

* Geological Mapping Accord Signed With PRC

92SM0133I Sao Paulo GAZETA MERCANTIL in Portuguese 9-11 Nov 91 p 17

[Text] After years of isolation, China is initiating technological partnerships. Brazil, through the CPRM (Mineral Resources Prospecting Company), a state enterprise, will conduct joint studies with China in the area of mining technology.

China is forming partnerships in the most costly phase of mineral research, which is the mapping of the ground resources. In this phase, according to CPRM President Carlos Oiti Berbert, the risks are great and the financial return is not guaranteed.

For Brazil, the advantage of the exchange will be the legal access to foreign technology. The Constitution does not permit private foreign companies to map and assess the economic potential of the nation's mineral deposits.

The agreement between the two countries, signed in September, provides for a survey of the geophysical and geochemical aspects of Chinese and Brazilian terrain. The results will be used to create a binational data bank.

In the area of water resources, the Chinese will bring their experience in solving the problem of flooding, which occurs frequently in China's two major rivers: the Yellow River and the Blue River. Chinese techniques in river irrigation and in obtaining water in old fields are also included in the cooperation accord. The CPRM scientists will pass the technology for the storage of iron, manganese, and gold on to the Chinese technicians, AGENCIA BRAZIL reported.

* Embraer Seeks To Reduce Personnel by 2,500

92SM0133E Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 21 Nov 91 p 5

[Text] The Brazilian Aeronautics Company (Embraer) proposed yesterday to the Metalworkers' Union of Sao Jose dos Campos to implement a program of voluntary layoffs. The goal is to reduce the number of employees from 9,000 to 6,500. This is the second program to reduce the labor force in the state company. Last October, 3,000 workers were dismissed, which made it possible to reduce the payroll to $14 million per month.

In the meeting with union members, Embraer argued that it is $920 million in debt. Edmilson Rogerio de Oliveira, vice president of the union, asked "what happened to the $407 million" that the government released in June to amortize part of the debt, which at that time was calculated at $620 million. According to Oliveira, the state company is still very badly managed and for this reason it should open its accounts to the workers for their examination.

Chile

Reportage on Honecker Case, Government Reaction

Envoy on Threat To Break Ties

PY1712010691 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 16 Dec 91

[Text] It was said today that if Erich Honecker is deported to Germany he would be tried under the laws of the former GDR.

German Ambassador to Chile Wiegand Pabsch today made new comments on this issue.

[Begin recording] [Unidentified reporter] Erich Honecker's trip to North Korea is now being discussed. Do you think this is an appropriate solution?

[Pabsch] No, I do not because the German Government's position regarding this issue is also quite clear. We have requested that neither North Korea nor any other country accept him because this would only hinder the German demand that Honecker appear before the German courts.

[Reporter] Under what laws would he be tried? Would he be tried under the laws of the GDR, which no longer exists, or under the laws of the current Germany?

[Pabsch] The charges must be determined according to the crimes committed. Therefore, the penal law on which his trial will be based will be the law of the former GDR because that was the law in force at the time the crimes were committed.

[Reporter] Had you threatened the Chilean Government with breaking diplomatic relations if it grants Erich Honecker asylum or protection?

[Pabsch] I do not know who told you this. For sure we have not threatened anybody. It is only normal that an issue of this nature be discussed with the governments involved. [end recording]

Hopeful for Honecker Departure

PY1612190891 Madrid EFE in Spanish 1751 GMT 16 Dec 91

[Text] Santiago, 16 Dec (EFE)—Enrique Correa, the minister secretary general of government, said today in Santiago that the Chilean Government hopes Russian authorities will allow Erich Honecker to travel to North Korea. Meanwhile, Foreign Under Secretary Carlos Portales stressed that the solution is in the hands of Russia.

The Chilean Foreign Ministry in Santiago is conducting feverish negotiations to achieve the departure of the former German Democratic Republic leader, who has taken refuge as a "guest" since 11 December in the Chilean Embassy in Moscow.

Foreign Under Secretary Carlos Portales has said that the government is awaiting a response from Russian President Boris Yeltsin, allowing Erich Honecker to travel to North Korea and receive medical treatment in that country.

Portales revealed that President Patricio Aylwin on 14 December sent a message to Yeltsin asking him for humanitarian reasons to facilitate or take the necessary measures for Honecker to receive medical treatment.

"We are waiting for an answer from Russian officials in accordance with the situation," said Portales, who also explained that Aylwin's message to Yeltsin was delivered in Moscow by presidential Minister Secretary General Edgardo Boeninger.

Portales reiterated that the Chilean protection given to Honecker is "strictly for humanitarian" reasons, and that the government "will not take Honecker from the Chilean Embassy in Moscow" until his security is guaranteed.

He also explained that although the Chilean Government stated that no political asylum will be given to Honecker, "he has protection" because he is a guest and the Chilean Embassy in Moscow cannot be violated.

Minister Enrique Correa emphasized today in La Moneda Palace that Honecker is protected by the Chilean diplomatic mission's immunity.

Correa added: "Honecker is a guest, and we hope that because he is in our house and our house cannot be violated nothing will happen."

According to several reports from Moscow over the weekend, Russian officials who gave Honecker until today to remain in Russia reportedly said that Honecker would be taken out by force from the Chilean Embassy.

Chilean Finance Minister Alejandro Foxley also said today that the "Honecker case" will not affect economic relations between the two countries.

Foxley indicated that because of the personal relationship between German Chancellor Helmut Kohl and Patricio Aylwin this relationship "cannot be affected by any incident."

Foxley also said Chile has more international credit offers than it needs, "therefore, we have the privilege of choosing the best ones."

Pressure in Honecker Case Viewed

PY1612132491 Santiago Radio Chilena Network in Spanish 1000 GMT 16 Dec 91

[Text] Ricardo Nunez, the president of the Socialist Party of Chile [PSCh], has said that his party will not accept pressures from Russian President Boris Yeltsin for the Chilean Embassy to dislodge Erich Honecker, the former East German chief of state.

With respect to the negotiations being conducted for Honecker to abandon the Chilean diplomatic mission, the PSCh leader said that this decision must be made by Honecker and his family.

[Begin Nunez recording] The final decision, if any of the alternatives sought works out, must finally be made by Mr. Honecker and his family. In this regard, we will not raise any question.

As a matter of fact, he is in our embassy and we must defend our embassy's right to be a place where the RSFSR cannot exercise any right and any legal or police action. We will categorically oppose any effort by Mr. Yeltsin to exercise pressure on our embassy. We would do this with Mr. Yeltsin or with any other government leader from any other country. [end recording]

Ricardo Nunez released in full the contents of a letter from the PSCh sent to President Patricio Aylwin, asking him to grant political asylum to Honecker. Nunez insisted that this is appropriate in this case. Among other arguments, he mentioned the fact that the former East German chief of state gave refuge in that country to many Chileans exiled by the military regime.

Nunez concluded by saying that if General Pinochet were in the same position as Honecker and sought asylum, the PSCh would also support such a petition.

Krauss Views Security Issue

PY1712001691 Santiago Radio Cooperativa Network in Spanish 2200 GMT 16 Dec 91

[Report by Javier Galaza at Congress—live]

[Text] Interior Minister Enrique Krauss, who is currently also acting foreign minister, said the security measures for Erich Honecker to leave the Chilean Embassy in Moscow are inadequate. The deadline set by the RSFSR Government for Honecker to leave their territory expired at 1900 Chilean time.

[Begin recording] However, embassy personnel and Mr. Honecker himself believe there are no security conditions for Honecker to travel from the inviolability of the embassy to the airport. [end recording]

Regarding the possibility that Honecker might travel from the DPRK to Chile, Krauss said Honecker would have to comply with all the conditions required from any visitor. He added that if Honecker comes to Chile, the German Government probably will request his extradition.

Asked why he was appointed acting foreign minister if Foreign Minister Silva Cimma is in Chile and might be dealing with the two complex issues that are affecting Chilean foreign relations—the Honecker case and the smuggling of weapons to Croatia—Krauss explained that Minister Silva Cimma is on leave for personal reasons:

[Begin recording] The minister has requested a leave for personal reasons, and it has not been considered fitting to seek... [changes thought] yesterday the deputy foreign minister was acting foreign minister and today I was appointed by the president to be acting foreign minister. [end recording]

Krauss added that he will be acting foreign minister until Minister Silva Cimma or another acting foreign minister resumes their activities.

Regarding the weapons trafficking disclosed in Hungary, Krauss said that it was too early to establish a Chamber of Deputies investigating committee as suggested by Political Parties for Democracy Deputy Jorge Schaulsohn. He also deemed Socialist Party Deputy Jaime Naranjo's request that the defense minister resign as exotic.

This afternoon, Minister Enrique Krauss explained to the Constitution Committee of the Chamber of Deputies about the reorganization plan that transfers Carabineros and Investigative Police from the Defense Ministry to the Interior Ministry.

Defense Minister Patricio Rojas also addressed the committee on the issue. The Carabineros and Investigative Police directors attended the meeting too.

Seized Weapons Part of $6-Million Contract

PY1712125291 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 17 Dec 91

[Report by Alejandro Machuca from the "24 Hours" newscast]

[Text] The following is an exclusive report for 24 Hours. The Famae [Army Ordnance] official who dispatched the weapon shipment to Yugoslavia has been identified as Ramon Vicente Perez Orellana. The shipment seized in Hungary is only a small part of a $6-million contract.

Perez Orellana was working at the Pudahuel Airport customs office last 30 November. As the dispatcher for the Famae, his duty was to wait at the airport for the shipment of weapons that had been sold by Famae to (Gunther Lendhauser), a representative of the Panamanian firm Finance and Management [preceding three words in English]. The shipment was brought by truck from the Main Cargo [two preceding words in English] company which has a branch in Santiago. This company also chartered the airplane that transported the weapons to Budapest. Until that moment the whole process was handled correctly.

According to what we have been able to verify, the shipment that arrived in Pudahuel airport was accompanied by an invoice which gave Nigeria as the final destination, and not Sri Lanka as authorized by the Defense Ministry. That was when Perez Orellana became involved. For some reason he allowed the weapons to be shipped to a destination different from the one stated in the invoice. How was this possible? Perhaps he did not realize what was happening; perhaps he did and consulted his superiors in Famae; or maybe the Main Cargo representatives—who were also in the airport—simply convinced him to go ahead.

We tried to talk with (Antonio Saad) and (Sergio Paulman), partners in Main Cargo but, just as on 13 December, we were fobbed off with excuses. [recorded passage indistinct]

This case, however, goes far beyond the shipment that was confiscated in Hungary. The 11 tons of weapons that clandestinely arrived in Budapest are only a small part of a large contract ordered by (Gunther Lendhauser) which is thought to amount to $6 million. This means that Famae has allegedly exported about 370 tons of materiel which can be broken down as follows: 5 million 7.66-caliber cartridges; 6,000 SG-542 rifles; 10 Blowpipe rocket launchers; 50 Blowpipe missiles; 10 Mamba missile launchers; 500 Mamba missiles; 4,855 LAW [Light Anti-Tank Weapon] rockets; 3,000 Ambrust rockets; 10,000 grenades for 120-mm mortars; and 14 120-mm mortars with their respective carriers.

The Defense Ministry has ordered the Army Command for Mechanical Industry and Engineering to investigate the transaction. It is hoped that the results will be known in less than 10 days.

Paraguay

President Criticized on Political Prisoners Issue

PY0912191691 Asuncion ABC COLOR in Spanish 9 Dec 91 p 10

[Text] Unexpectedly, the bishop of the diocese of Caacupe [Monsignor Demetrio Aquino] yesterday voiced support for the former leaders of the past regime, who are currently confined, and requested that their situation be defined. He specified that he was talking about Stroessner's former ministers J. Eugenio Jacquet, Adan Godoy Jimenez, and Carlos Ortiz Ramirez, and Stroessner's former private secretary Mario Abdo Benitez.

In response to questions after his homily, Aquino said: "For me, it was a revelation to hear the president telling me that there are no political prisoners in our country. It was a revelation because I considered the people who were arrested after the February coup to be political prisoners."

The bishop emphasized: "I talked about the political prisoners, such as Jacquet, Godoy Gimenez, and Abdo Benitez, because this issue has not been defined. Some people say they are political prisoners, other people say they are common prisoners. This situation should be defined."

Later, the bishop added: "I would classify them as political prisoners because they lost their power during the revolution. President Rodriguez told me that there is not a single political prisoner, that those people are confined because they stole. I told him that it is necessary to make this clear for the people. So far, it has not been proven that they stole. I do not understand why, for example, the amount they have stolen is not mentioned. I am not defending anyone at all."

The bishop recalled that he even visited Godoy Jimenez, Ortiz Ramirez, and Abdo Benitez in their places of confinement. Aquino, however, immediately made it clear that he visited them "at the request of their relatives, and they told me that they feel like political prisoners."

Always talking about the "Stroessnerist militants," Aquino added: "They want their situation and the reason for their imprisonment to be quickly clarified. They believe that they are imprisoned because they supported Stroessner, that this is the reason for their detention."

Aquino asked himself: Why are they not sent, for example, to Tacumbu [a penitentiary]? He stressed: "It would seem like they are being given special treatment. In the case of Abdo Benitez, for example, it has been said

that he stole a lot from the state. Therefore, he should be confined somewhere else and not in the Security Guard."

Moving on, Aquino noted: "The president has told me that there are no political prisoners, and if he says so, I accept this. Now then, I want an explanation about what is a political prisoner and what is a common prisoner."

Concerning the people confined to Lagerenza (Chaco) the bishop added: "I also disagree with sending the people to Lagerenza, because reports have been received that they want to escape from there. We told the president that the people say that a sham escape is orchestrated and then they are killed."

Aquino emphasized: "I really want to go and visit that place to see how it works. Crime must be paid for, but not that way."

Colorado Views Extension of Presidential Term

PY0312212291 Asuncion HOY in Spanish
3 Dec 91 p 4

[Text] HOY has learned through strong rumors that the Constituent Assembly delegates of the National Republican Association [Colorado Party] are reportedly making arrangements to include in the future constitution a clause on "transitory measures," in which they will propose the extension of the term of the personnel in the executive and legislative branches until 1995.

According to the source, positive steps have reportedly been taken to implement this clause, which if approved will allow for the automatic extension of General Rodriguez' term until that year.

This proposal could not be approved by Rodriguez, who, according to the sources, is ready to transfer power to the candidate who wins the 1993 presidential election.

Rodriguez has promised to comply with his commitment of ensuring the transition process, and the international organizations to which he has reiterated his position are concentrating on his commitment.

However, strong pressure is reportedly being exerted even by the Armed Forces so that Rodriguez can extend his term, a position that is supported by those congressmen who were elected as Constituent Assembly delegates on 1 December.

Although the legal procuredure to be adopted by those who support this idea has not yet been specifically established, it has been learned that the constitution drafted by the Colorado Party already includes a clause calling for no reelections and does not refer to an extension of the presidential term. All these matters are reportedly being handled under the strictest secrecy by the Colorado Party Constituent Assembly delegates.

Figures for Foreign Debt Payment Announced

PY2911224091 Asuncion ULTIMA HORA in Spanish
29 Nov 91 p 12

[Excerpt] The government has allocated 191.3957 billion guaranies ($133.8 million, at the exchange rate of 1,430 guaranies per dollar estimated by the Finance Ministry) in its budget for the payment of its foreign debt in 1992, including interest and amortization. It expects to pay 79.186 billion guaranies ($55 million) to foreign governments and the Paris Club, which will be the main beneficiaries.

The project, which already has been approved by the Senate and the Chamber of Deputies, provides for funds totalling 119.657 billion guaranies for interest payment to multilateral credit organizations, the Paris Club, foreign governments, financial agencies, and commissions. Some 71.736 billion guaranies will be earmarked to pay the amortization.

It calls attention to the fact that 95 percent of the fund earmarked for the debt payment to the Paris Club and foreign governments corresponds to the interest payments and only 5 percent to the payment of the debt service. According to the budget, 75.236 billion guaranies of the 79.186 billion will be earmarked to pay interest and only 3.95 billion to pay the debt service. [passage omitted]

Central Bank Reveals Public Foreign Debt Data

PY0512122291 Asuncion ULTIMA HORA in Spanish
4 Dec 91 p 11

[Excerpt] According to a Paraguayan Central Bank (BCP) report, our country's foreign public debt during October amounted to $1.708 billion (both the capital plus the overdue and unpaid interest).

Of this, $856 million is owed to the Paris Club, $635 million to multilateral organizations (Inter-American Development Bank, World Bank, FONPLATA [(Financial) Fund (for the Development of the Basin of the) Plata (River)], etc.) and $217 million to international commercial banks.

During October 1991, the capital totalled $1.695 billion, practically 0.30 percent of the GDP. [passage omitted]

Central Bank Gets $3.45 Million Donation

PY0512231491 Asuncion PATRIA in Spanish
30 Nov 91 p 3

[Summary] The Central Bank has received a donation of $3.45 million from the United Nations for the reform of the financial system. The $3 million was donated by the Japanese Government through the World Bank, and the $450,000 by the IDB [Inter-American Development Bank] through a UN development program.

World Bank Grants $3 Million Loan

PY2611225091 Asuncion NOTICIAS in Spanish
20 Nov 91 p 14

[Summary] The World Bank has granted Paraguay a $3 million non-reinbursable loan for agriculture and for the financial reforms of the Superintendency of Banks. The agreement was signed by Shahid Husain, World Bank vice president for Latin America, and Finance Minister Juan Jose Diaz.

Peru

President Fujimori Vows To Defend Coca Farmers

PA1612205891 Paris AFP in Spanish 1948 GMT
15 Dec 91

[Text] Lima, 15 Dec (AFP)—Peruvian President Alberto Fujimori has announced that his government will not follow a policy of repression against the coca farmers who "do it out of need." He also refuted criticism from the defenders of human rights who are in "their comfortable and carpeted offices."

In a speech delivered on 14 December in Quimbiri, Ayacucho, on the Andean southeast, Fujimori recalled that "we had to refuse a $34 million donation from the United States because that money was destined to harshly suppress the coca growers."

The area is located in the valley of the Apurimac River, a bastion of the Shining Path where coca—raw material for cocaine—are grown.

"We are not going to continue with that policy because we have managed to make all those who thought we were in collusion with narcotics trafficking understand that the growing of coca is a result of the state of abandonment in which hundreds of coca farmers have found themselves," Fujimori said to farmers and members of the self-defense organizations.

Fujimori added that the legislative decrees issued by the government concerning the national pacification system deal with the problems encountered by the peasant defense patrols, who fight terrorism with bows and arrows, sticks, and stones. He said that early in 1992 weapons (automatic rifles) will be given to the peasant defense patrols.

He also referred to parliament and the human rights organizations, which have criticized government policy without being aware of the true situation of some towns, such as the one he was visiting.

"These human rights defenders, who keep silent when the Shining Path murders, should come to these towns before talking," he said. He added that his government will try to involve coca farmers in legal activities."

Poll Says Fujimori's Popularity Increasing

PY1612230691 Lima EL COMERCIO in Spanish
8 Dec 91 p A4

[Summary] According to Datum Inc., which carried out a poll of 346 people on the administration of Peruvian President Alberto Fujimori, 69 percent approve of his policies, 22 percent disapprove, and 9 percent did not answer. Datum said that Fujimori's popularity is good and increasing, and that his handling of the conflict with Ecuador, his meeting with Ecuadoran President Rodrigo Borja, and his participation in the Andean Presidential Council helped him.

Opinion Poll on Ex-President Garcia's Case

PY1612230291 Lima EL COMERCIO in Spanish
8 Dec 91 p A4

[Summary] Datum Inc., which carried out a poll in metropolitan Lima on whether people agree or disagree with the judicial branch's decision not to try former President Alan Garcia for his alleged illegal enrichment, reported that 68 percent disagree, 28 percent agree, and 4 percent did not answer. The poll was carried out among 346 people.

Senate Repeals Decree Restricting Cofide

PY1612170491 Lima EXPRESO in Spanish
6 Dec 91 p A5

[Excerpt] Following a long debate in which the objectives of the Financial Development Corporation (Cofide) were redefined, the Senate yesterday approved a bill abolishing Decree No. 725 which restricted the activities of this corporation and made it carry out a role complementary to that of the state and development banks.

The decree established, among other things, that the Cofide may only obtain funds from multilateral credit organizations or foreign government representatives but not from the public. It also established that it may not carry out pre-investment studies, or activities other than financial intermediation, or to participate as a shareholder in any project.

One of the benefits stemming from the annulment of Decree No. 725 is that it ensures the extension of a $95 million loan which the Andean Development Corporation (CAF) was to grant Peru through the Cofide to meet the needs of the small and medium-size industry. [passage omitted]

Senate Repeals Decree Privatizing Public Schools

PY1612174291 Lima LA REPUBLICA in Spanish
6 Dec 91 Political Section p 4

[Excerpt] The Senate yesterday repealed Legislative Decree No. 699 which established the privatization of an unspecified number of public schools throughout the country. The Senate adopted this decision because this

decree is unconstitutional and because it exceeds the legislative powers granted by Congress.

Thus the Chamber of Deputies responded to the rejection of this decree by parents' groups, teachers' unions, legal experts, politicians, and the Catholic Church.

Instead, the Senate established a joint commission comprised of legislators and representatives of the executive branch. This commission will be in charge of drafting a new law to promote the development of a private school system.

In yesterday morning's session, the Senate did not have enough time to approve the text that will replace Decree No. 699. But the remaining articles will be approved today.

A wave of protests swept the country after the executive branch published Decree No. 699 in the official gazette. [passage omitted]

IDB Grants $210 Million Loan for Road Repairs

PY1512224491 Lima LA REPUBLICA in Spanish 28 Nov 91 p 4

[Summary] The Inter-American Development Bank [IDB] board of directors on 27 November approved a $210 million loan for road repair projects. This is the first loan secured by Peru after it rejoined the international financial community.

Japanese Government Grants $400 Million Loan

PA1312190991 Lima Radio Programas del Peru Network in Spanish 1800 GMT 9 Dec 91

[Text] According to an agreement signed between Peruvian and Japanese representatives, the Japanese Government will extend a $400 million credit to Peru to promote trade relations and support national economic recovery.

As established in the agreement, the first $300 million disbursement will be available sometime before the end of the year, and the remaining $100 million will be available by March 1992.

Peruvian diplomats in Japan have stated that the nonrepayable portion of the loan is the highest of all credits extended or promised to Peru by those countries that comprise the Peruvian Economic Support Group.

Venezuela

Aristide Appeals to OAS on Election Anniversary

PA1712044891 Mexico City NOTIMEX in Spanish 2219 GMT 16 Dec 91

[Text] Caracas, 16 Dec (NOTIMEX)—On the first anniversary of the elections that brought him to power, ousted Haitian President Jean-Bertrand Aristide appealed to the hemisphere to annul the 30 September military coup.

"Today we can see there is not an East-West bipolar world. There is, however, a bipolar America with (Raoul) Cedras versus the OAS," Aristide said during a news conference.

Aristide said that since 30 September, 1,500 people have died as a result of the repression unleashed by the coup leaders. He urged the 34 OAS members to listen to the "SOS of the 10,000 political refugees in Guantanamo, Cuba."

The deposed president indicated that there are powerful sectors in Haiti interested in upholding the coup. He said the oligarchy, the Haitian mafia, and drug traffickers were the main supporters of the military coup.

Aristide dismissed the idea that any OAS member country is interested in maintaining the current regime in Haiti. He said that Cedras cannot be more powerful than the hemispheric organization.

The OAS "knows very well what it must do" to restore democracy in Haiti, Aristide said, but he refused to give details when asked to explain this statement.

Aristide outlined a possible democratic timetable that would begin with Cedras being tried or leaving the country. This would be followed by amnesty for the Army, the establishment of a peace commission, the setting of a date for Aristide's return, and the definition of the functions of a new prime minister.

The former Salesian priest, who is 39, said that the 16 December 1990 elections, which he won with 67 percent of the votes, did not represent the full establishment of democracy in his country.

Just as the OAS contributed to the preparation of the elections, it should support the country's institutions, "because one cannot speak of democracy within Haiti's rotten justice institutions," which are permeated by corruption, Aristide said.

Aristide denounced the murder of legislator Astrel Charles, one of the 45 legislators who, along with 12 senators, support a negotiated solution to the coup.

He also said that there is a list of 350 people who are being sought by the military, and that Cedras' regime wants to assassinate Bishop Willy Romelus, whom Aristide described as "the Oscar (Arnulfo) Romero [archbishop of El Salvador who was assassinated] of Haiti."

Cedras has created a "death machine" that is advancing on all fronts and is forcing some 10,000 Haitians to flee. These Haitians are at the U.S. base in Guantanamo, Cuba as "political, not economic refugees," Aristide said.

Aristide noted that between 7 February, when he took office as president, and the day of the coup, some 50,000 people had returned to assist in the reconstruction of the country.

Aristide said this disproves reports of alleged government intolerance and shows the desire to promote democracy in a country where 75 percent of the population lives in the countryside and 85 percent is illiterate.

* Legislators Urge UN To End Cuban Blockade

92SM0131A Caracas EL DIARIO DE CARACAS in Spanish 16 Nov 91 p 26

[Article by Clodovaldo Hernandez]

[Text] Over 40 Venezuelan congressmen, including some from AD [Democratic Action] and COPEI [Social Christian Party], signed a letter to the United Nations secretary general, seeking his intercession to put an end to the economic blockade against Cuba.

A group of Venezuelan legislators sent a letter to the secretary general of the United Nations Organization, Javier Perez de Cuellar, requesting that this international agency take all the action necessary to terminate the economic and commercial blockade imposed on Cuba.

Moises Moleiro, first vice president of the Chamber of Deputies, explained that the message was also sent to Samir Shihabi, president of United Nations Conference 46, and to the Cuban ambassador to the United Nations, Ricardo Alarcon. The letter is signed by 44 congressmen, most of whom are from the Movement Toward Socialism [MAS], Cause R, the MEP [People's Electoral Movement], and the PCV [Communist Party of Venezuela]. Also appearing, however, are the signatures of Luis Raul Matos Azocar and Isabel Carmona de Serra, (AD); Alfredo Tarre Murzi (COPEI); Maria Teresa Castillo, (URD [Democratic Republican Union]-Independent); and Gabriel Nino (a dissident from the evangelist ORA [Organization of Revolutionaries] party).

The brief letter underscores the inclusion of the Cuban blockade issue in Conference 46 as "correct, and interpreting the desires of the vast majority of Latin American peoples."

In its final paragraph the letter states: "For this reason, we deputies and senators in the Congress of the Republic of Venezuela signing this letter express our most fervent desire that the deliberations of this UN Conference 46 will be translated into effective steps for putting an end to the economic and commercial blockade currently being suffered by the fraternal Republic of Cuba."

In providing the information Moleiro declared that, at present, there can be less justification than ever for continuing an economic and commercial blockade that he categorized as "aggression in violation of international law."

He remarked: "That blockade has never been possible to justify. But the only excuse that it had, namely, Cuba's defensive military alliance with the Soviet Union, has now collapsed completely."

He claimed that the nefarious blockade policy should be replaced by an attitude of tolerance and understanding that will make openness on the part of the island's government possible.

Moleiro was emphatic in asserting: "A policy of constant aggression, seeking to bring the Cuban people to their knees, isolating and subjugating them with hunger, besides being a despicable act from a human standpoint, can only be described as stupid. It has led to an exacerbation of the crisis and to the contradictions currently existing."

The first vice president of the Lower Chamber recently abstained from voting on a resolution of this deliberative body demanding the democratization of Cuba.

French Guiana

Ariane Rocket Launched; Satellites Deployed

PA1712004191 Paris AFP in Spanish 0002 GMT 17 Dec 91

[Text] Kourou, French Guiana, 17 Dec (AFP)—The 48th launch of a European Ariane rocket from the Kourou Space Center in French Guiana on 16 December was a "complete success," space center and Arianespace Society officials have announced. Two telecommunication satellites, one French and the other international, were sent into orbit.

The French satellite, Telecom-2A, separated from the rocket 20 minutes and 6 seconds after the Ariane launch at 2319 GMT. The International Organization of Maritime Communications satellite, INMARSAT-2-F3, was deployed 24 minutes and 33 seconds after the launch.

This Ariane launch set a new record of eight successful launches in one year.

Guyana

Government Extends State of Emergency to Jun

FL1212001391 Bridgetown CANA in English 2206 GMT 11 Dec 91

[Text] Georgetown, Guyana, Dec 11, CANA—Guyana's state of the emergency was extended to June 10, 1992 on a motion passed in the National Assembly on Wednesday by the government two-third's majority, over opposition reservations. Attorney-General Keith Massiah told the Assembly it was "vitally important"

that legislation be brought before the house postponing general elections, but crucial "methods" related to the elections were yet to be settled.

Parliament, prorogued ahead of scheduled elections, was reconvened earlier this month under a state of emergency declared in the light of the inability of the Elections Commission to complete an acceptable voters' list within a December 28 constitutional deadline. Reiterating that the recall of Parliament was necessary to legislate the postponement of elections, Massiah said it was necessary for the state of public emergency due to expire Wednesday night be extended until next year.

"This legislation cannot be drafted until these methods (related to the elections) have been settled," Massiah said.

Wednesday's sitting, the second since Parliament was recalled December 3, saw the opposition People's Progressive Party (PPP), the United Force, and Working People's Alliance [WPA] seated under special legislation passed at the first sitting to waive their resignation from the Parliament before it was dissolved in September.

PPP frontbencher Reepu Daman Persaud opposed the extension of the state of emergency on the grounds that it threatened the fundamental rights of citizens, and that there was no need with Parliament already recalled. Persaud called on the attorney-general to take before the House, by December 31 at the latest, legislation revoking the state of emergency: "there can be no justification for such a state of emergency," Persaud said, gaining the support of WPA member Eusi Kwayana. The Assembly adjourned to a date to be fixed.

Commonwealth Official Welcomes Elections Delay

FL2911185991 Bridgetown CANA in English 1835 GMT 29 Nov 91

[Text] London, Nov 29, CANA—Commonwealth Secretary-General Chief Emeka Anyaoku has welcomed the decision by President Desmond Hoyte to postpone elections in Guyana, originally scheduled for December 16. In a statement issued today, Chief Anyaoku stressed that the Commonwealth would continue to support the efforts of Guyana to achieve free and fair elections in line with the Commonwealth's commitment to help strengthen democracy in member countries. He said the Commonwealth Secretariat was ready to provide technical assistance to the Elections Commission in its efforts to prepare a final voters list that would be acceptable to all of the parties concerned.

Hoyte postponed the election after the Elections Commission said a heavily-flawed voters list could not be cleaned up in time for the poll. The secretary-general said that the Secretariat had closely followed developments in Guyana and recalled that a team of Commonwealth experts whom he sent to Guyana November 15-18 had advised that a postponement of the elections would allow for the development of a credible voters list.

The experts also concluded that closer co-ordination between the Elections Commission and National Registration Commission would enhance the prospects of this being achieved. The secretary-general said consultations were already under way with the chairman of the Elections Commission, Rudi Collins, on how the Commonwealth could help with approriate technical expertise for the preparation of the final voters list.

Opposition Says Hoyte Prolonging List Revision

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[Text] Georgetown, Guyana, Dec 6, CANA - Guyana's main opposition People's Progressive Party (PPP) said Friday that the ruling People's National Congress (PNC) government wants to drag out holding elections for another year. Representatives of the parties met for nearly two hours in the capital Thursday to discuss correcting flaws on the voters list and a possible election date before mid-next year.

"The major issue discussed is how to approach the preparation of the preliminary voters list, and the president seems to be suggesting if all the corrections were to be made, it will take time, and he had no control over time," PPP spokesman Moses Nagamootoo told CANA Friday.

"It seems as if he (President Desmond Hoyte) is gearing for a prolonged period of revision to have a clean list, and it appears as if he is trying to drag it out," Nagamootoo said. However, the spokesman said that his party suggested that both sides go to the Elections Commission for an initial time frame since there is "no guarantee" that the list will emerge pure. He said that another option of a completely new list was also raised, but did not feature much in the discussions.

President Hoyte, Nagamootoo said, did not respond to all the PPP concerns. Malcolm Parris, chief executive officer of the PNC, told CANA Friday that both the PPP and the PNC agreed that the elections must be held on a clean voters list.

The opposition Working People's Alliance (WPA) has said that the PNC intends to prolong elections until December 1992, but said that it will fight such a timetable. The WPA wants elections to be held by May next year, while the PPP has suggested February/March.